COMPENSATION AND INSURANCE LEGISLATION

HEARING

BEFORE THE

SUBCOMMITTEE ON
COMPENSATION, PENSION, AND INSURANCE

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

SECOND SESSION

MAY 1, 1984

Printed for the use of the Committee on Veterans' Affairs

Serial No. 98-49

U.S. GOVERNMENT PRINTING OFFICE
36-490 O WASHINGTON : 1984

H 761-22

COMMITTEE ON VETERANS' AFFAIRS

G. V. (SONNY) MONTGOMERY, Mississippi, *Chairman*

DON EDWARDS, California
BOB EDGAR, Pennsylvania
SAM B. HALL, JR., Texas
DOUGLAS APPLEGATE, Ohio
MARVIN LEATH, Texas
RICHARD C. SHELBY, Alabama
DAN MICA, Florida
THOMAS A. DASCHLE, South Dakota
WAYNE DOWDY, Mississippi
MATTHEW G. MARTINEZ, California
LANE EVANS, Illinois
MARCY KAPTUR, Ohio
FRANK HARRISON, Pennsylvania
ALAN B. MOLLOHAN, West Virginia
TIMOTHY J. PENNY, Minnesota
HARLEY O. STAGGERS, JR., West Virginia
J. ROY ROWLAND, Georgia
JIM SLATTERY, Kansas
JOHN BRYANT, Texas
JAMES J. FLORIO, New Jersey

JOHN PAUL HAMMERSCHMIDT, Arkansas
CHALMERS P. WYLIE, Ohio
ELWOOD HILLIS, Indiana
GERALD B. H. SOLOMON, New York
BOB McEWEN, Ohio
CHRISTOPHER H. SMITH, New Jersey
DENNY SMITH, Oregon
PHIL GRAMM, Texas
DAN BURTON, Indiana
DON SUNDQUIST, Tennessee
MICHAEL BILIRAKIS, Florida
NANCY LEE JOHNSON, Connecticut

MACK FLEMING, *Chief Counsel and Staff Director*

SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE

DOUGLAS APPLEGATE, Ohio, *Chairman*

SAM B. HALL, JR., Texas
THOMAS A. DASCHLE, South Dakota
MATTHEW G. MARTINEZ, California
G.V. MONTGOMERY, Mississippi
MARVIN LEATH, Texas
RICHARD C. SHELBY, Alabama
DAN MICA, Florida
WAYNE DOWDY, Mississippi

BOB McEWEN, Ohio
CHALMERS P. WYLIE, Ohio
JOHN PAUL HAMMERSCHMIDT, Arkansas
DENNY SMITH, Oregon
DAN BURTON, Indiana

CONTENTS

MAY 1, 1984

Page

Compensation and Insurance Legislation 1

OPENING STATEMENTS

Chairman Applegate 1
Hon. John Paul Hammerschmidt 2
Hon. Bob McEwen 2

WITNESSES

Arthurs, Jean, legislative director, National Association of Military Widows 12
Prepared statement of Mrs. Arthurs 73
Beilke, Max J., legislative counsel, National Association for Uniformed Services 10
Prepared statement of Mr. Beilke 61
Egan, Paul S., deputy director, National Legislative Commission, and Philip R. Wilkerson, Chief of Claims Service, National Veterans Affairs and Rehabilitation Commission, The American Legion 18
Prepared statement of Mr. Egan and Mr. Wilkerson 93
Heilman, John F., national legislative director, Disabled American Veterans 16
Prepared statement of Mr. Heilman 77
Johnson, Richard W., director of legislative affairs, Non Commissioned Officers Association of the United States 9
Prepared statement of Mr. Johnson 54
Moran, Bob, associate legislative director, Paralyzed Veterans of America 19
Prepared statement of Mr. Moran 101
Passamaneck, Lt. Col. David J., AMVETS 15
Prepared statement of Colonel Passamaneck 15
Rowland, Hon. J. Roy, a Representative in Congress from the State of Georgia 3
Starbuck, Dorothy L., Chief Benefits Director, Veterans' Administration; accompanied by John Murphy, General Counsel, and Max Woodall, Director, Compensation and Pension Service 4
Prepared statement of Miss Starbuck 45
Schwab, Donald H., director, National Legislative Service, Veterans of Foreign Wars of the United States 21
Prepared statement of Mr. Schwab 113
Wannamaker, John F., deputy director, legislative affairs, the Retired Officers Association 10
Prepared statement of Commander Wannamaker 66

MATERIAL SUBMITTED FOR THE RECORD

Bills:
H.R. 3909—To amend title 38, United States Code, to provide disability and death allowances for certain veterans exposed to ionizing radiation and their survivors, and for other purposes 23
H.R. 4890—To amend title 38, United States Code, to increase from $4,400 to $5,000 the maximum amount of automobile adaptative equipment assistance the Administrator of Veterans' Affairs may provide to a veteran with a service-connected disability 30

Page

Bills—Continued
H.R. 5441—To amend title 38, United States Code, to add the disease lupus erythematosis to the list of chronic diseases that are considered to be service connected for purposes of veterans' benefits if occurring within 1 year from the date of a veteran's separation from service 31
H.R. 5442—To amend title 38, United States Code, to require vocational training and counseling for any new Veterans' Administration pension recipient who is under age 50 32
H.R. 5443—To amend title 38, United States Code, to increase from $35,000 to $50,000 the maximum amount of insurance available under the Servicemen's Group Life Insurance Program 36
H.R. 5444—To amend title 38, United States Code, to provide a cost-of-living increase for fiscal year 1985 in the rates of compensation paid to veterans with service-connected disabilities and the rates of dependency and indemnity compensation paid to survivors of such veterans, and for other purposes 38
H.R. 5445—To amend title 38, United States Code, to provide for dependency and indemnity compensation for the surviving spouse of a Commandant of the Coast Guard at the same rate as provided for surviving spouses of other uniformed service chiefs 44
Statements:
Blinded Veterans Association 121
Military Order of the Purple Heart 125
Written committee questions and their response: Hon. Bob McEwen to Veterans' Administration 118

COMPENSATION AND INSURANCE LEGISLATION

TUESDAY, MAY 1, 1984

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COMPENSATION,
PENSION AND INSURANCE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:04 a.m., in room 334, Cannon House Office Building, Hon. Douglas Applegate (chairman of the subcommittee) presiding.

Present: Representatives Applegate, Daschle, Montgomery, and Mica.

OPENING STATEMENT OF CHAIRMAN APPLEGATE

Mr. APPLEGATE. Good morning. The subcommittee will come to order.

We meet this morning to receive testimony on legislation affecting the compensation and insurance programs. The centerpiece of this hearing is the cost-of-living increase in compensation for service-connected veterans and in dependency and indemnity compensation for widows and children.

In our report to the Budget Committee in March, the Veterans' Affairs Committee requested authority for a 4.3-percent increase to be effective December 1, 1984. The President's budget contained the same percentage increase, but he asked for an April 1, 1985, effective date. The bill, H.R. 5444, which we will receive testimony on today, reflects the 4.3-percent increase effective December 1.

I want to point out that after our report to the Budget Committee the Congressional Budget Office estimated the inflation factor will be 4.7 percent rather than 4.3 percent, and the higher amount was contained in the House-passed budget resolution. I say this because we will definitely give consideration to the higher percentage in our deliberations during the markup.

Today we will also be receiving testimony on other bills which would increase the maximum servicemen's group life insurance coverage from $35,000 to $50,000, to increase the one-time automobile allowance for certain service-connected veterans from $4,400 to $5,000, to add systemic lupus erythematosis to the list of chronic diseases in section 301 of title 38, to increase the DIC rate payable to the surviving spouse of a Coast Guard commandant in the same manner as the other military service commandants, and to make vocational counseling and training available to younger pensioners.

Several veterans' organizations will be submitting statements which will, without objection, be included in the hearing record.

Last year, we asked the VA to get some information together about the percentages of disability assigned to veterans during their lifetime so that the organizations could explore the possibility of modifying the method of paying DIC. The subcommittee has an oversight hearing scheduled for June 14 on the compensation program, and I would expect some of the data needed by the various veterans' groups will be available at that time.

Unfortunately, this morning Mr. McEwen of Ohio and Mr. Hammerschmidt of Arkansas will be not in attendance because they have other commitments. However, they do have statements for the record and, without objection, they will be made a part of the record.

[The statements of Mr. McEwen and Mr. Hammerschmidt follow:]

STATEMENT OF HON. JOHN PAUL HAMMERSCHMIDT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Thank you, Mr. Chairman.

I congratulate you on scheduling these hearings, particularly on the bill to increase compensation for service-connected veterans, their dependents and survivors. I am pleased to associate myself with Mr. McEwen's remarks with respect to the analysis of the various bills before us.

Mr. Chairman, the pension rehabilitation proposal is new ground for this committee. In this connection, I understand that the VA will soon be sending the committee a report on it which should assist us in the fine tuning that Mr. McEwen mentioned. Hopefully, VA suggestions on the proposal, as well as suggestions from others, will allay some of the concerns that are always present when new programs are being considered. It is certainly a well intentioned proposal and worthy of our close attention and scrutiny.

Thank you, Mr. Chairman.

STATEMENT OF HON. BOB MCEWEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Thank you, Mr. Chairman.

The primary bill before us today is H.R. 5444, which provides for a 4.3 percent cost-of-living increase in compensation for service-connected disabled veterans, their survivors, and dependents. In our report to the Budget Committee, the House Veterans' Affairs Committee endorsed such an increase and the 1st Concurrent Budget Resolution which has passed the House contains funds for its implementation. The President's budget for fiscal year 1985 also contains funds for COLA in compensation but with an effective date of April 1, 1985. In this connection, however, it is to be noted that after the President's budget came up to the Congress, he signed Public Law 98-223 which was the delayed cost-of-living increase for this fiscal year. That law contained a sense of the Congress provision calling for future effective dates on compensation COLA's to be on December 1, beginning in fiscal year 1985. I therefore support the earlier date.

Mr. Chairman, last year, disabled service connected veterans willingly accepted a 6-month delay in cost of living increases. They literally led the Nation in such acceptance. We often say that these veterans are our basic priority concern. It seems to me that we ought not to call them to make additional sacrifices. This bill has an effective date which is in itself already 60 days beyond what had become the normal increase date of October 1 of each year.

Mr. Chairman, I was also pleased to join with you, Mr. Hammerschmidt and Chairman Montgomery in cosponsoring H.R. 5442. This bill provides for a new concept in possible rehabilitation—at least to some degree—of some non-service connected pensioners under age 50. It is, of course, recognized that this idea undoubtedly needs considerable fine tuning before congressional approval. It is, however, an idea which is both noble in concept and novel in approach. Hopefully, it could return a number of pensioners to employment rolls and have a payoff within a relatively short period of time. I hope the Veterans Administration and the veterans' organizations can assist us in perfecting the idea at least on a pilot basis.

Mr. Chairman, I was pleased to also cosponsor H.R. 5443 which increases the maximum amount of Servicemen's Group Life Insurance from $35,000 to $50,000.

This bill is a "catchup" proposal that takes into account inflation and increasing needs of our military personnel. I also support your bill, H.R. 4890, concerning adaptive automobile equipment for certain service-connected veterans, It too is a "catchup" bill concerned with increased cost of such equipment.

Finally, Mr. Chairman, H.R. 5445 which provides for DIC for widows of former Commandants of the Coast Guard appears to be a matter of equity and H.R. 5441 would seem to fall into the same category. I am anxious to consider the testimony concerning these bills as well as the other testimony scheduled for this morning.

Thank you, Mr. Chairman.

Mr. APPLEGATE. At this time I would like to recognize my friend and colleague and the chairman of the full committee, the gentleman from Mississippi, Mr. Montgomery, for any remarks that he would wish to make.

Mr. MONTGOMERY. Thank you, Mr. Chairman. I appreciate the subcommittee moving ahead on this legislation pending from 1980 to 1985, and it seems like you have a comprehensive package here. Certainly I appreciate and am proud of the work you have done here, Mr. Chairman, and also the other members of this subcommittee. Thank you for giving me this opportunity.

Mr. APPLEGATE. Thank you, Mr. Chairman.

Our friend and colleague, and a distinguished member of the committee, Mr. Rowland, of Georgia has asked to make a statement on behalf of his proposal, H.R. 3909, to establish an Advisory Committee for Atomic Veterans. Mr. Rowland, please proceed.

STATEMENT OF HON. J. ROY ROWLAND, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA

Dr. ROWLAND. Thank you very much, Mr. Chairman. I appreciate the opportunity to appear before you and the other members of the Subcommittee on Compensation, Pension and Insurance this morning.

I wish to request that the subcommittee give its favorable consideration to section 222 of H.R. 3909 which I cointroduced with Mr. Hammerschmidt last year. As the members of this subcommittee know, the provisions of H.R. 3909, which provide disability benefits to those veterans who were exposed to radiation during their military service, were unanimously passed by the full House as part of H.R. 1961, the Agent Orange and Atomic Veterans Relief Act.

Unfortunately, due to circumstances unrelated to the merits of the Atomic Veterans Advisory Committee, the portions of H.R. 3909 creating such a committee were not included in the final version of the compensation legislation passed by the House. It is my hope that this subcommittee will appreciate the importance of establishing an advisory committee for our atomic veterans this year so that we are able to have new medical and scientific data analyzed to aid the Congress and the VA in establishing the relationship between radiation exposure and certain disorders that are showing up in our veterans.

Thank you very much for allowing me the time to present this very important matter to you.

Mr. APPLEGATE. Thank you, Mr. Rowland, for appearing before us. We certainly will be looking at your suggestion in the very near future.

Dr. ROWLAND. Thank you very much, Mr. Chairman.

Mr. MONTGOMERY. I would like to compliment the gentleman from Georgia for his testimony. He certainly learned quickly. He got right to the point and made his point. That is the best way to do it as far as I'm concerned.

Thank you, sir.

Dr. ROWLAND. Thank you very much, Mr. Chairman.

Mr. APPLEGATE. Our first witness will be Miss Dorothy Starbuck, Chief Benefits Director of the Veterans' Administration. Miss Starbuck, it is nice to see you this morning, as always. You may introduce those with you and then just proceed as you desire.

STATEMENT OF DOROTHY L. STARBUCK, CHIEF BENEFITS DIRECTOR, VETERANS' ADMINISTRATION; ACCOMPANIED BY JOHN MURPHY, GENERAL COUNSEL, AND MAX WOODALL, DIRECTOR, COMPENSATION AND PENSION SERVICE

Miss STARBUCK. Thank you, Mr. Chairman, and good morning.

The gentleman on my right is Mr. John Murphy, the General Counsel of the Veterans' Administration, and to my left is Mr. Max Woodall, Director of the Compensation and Pension Service.

I am very pleased to be here this morning, Mr. Chairman, to discuss the Administration's views on bills pending before this subcommittee. With your permission, I will first discuss the compensation cost-of-living increase and then turn to the other proposed legislation which you have mentioned.

The Veterans' Administration strongly supports a cost-of-living increase in disability and dependency and indemnity compensation rates effective April 1, 1985. This date would be 1 year following the most recent increase in these benefits.

When the President's budget went forward in January, we anticipated the COLA to be at 4.3 percent. Since then, the administration's figure has been revised downward to an estimated 4.1 percent. The actual percentage will, of course, be determined by the Social Security Administration not later than November 1, 1984.

H.R. 5444 would make the effective date for these increases December 1, 1984. As the most recent increase became effective April 1, 1984, and is being paid today, this would have the effect of giving compensation and DIC recipients a dual increase during the calendar year 1984. This would have the effect, Mr. Chairman, of voiding much of the savings realized from last year's deferral. Although we favor very strongly the increase, we cannot support the effective date of the measure.

Mr. Chairman, I would turn now to H.R. 4890, a bill that would increase to $5,000 the maximum amount of assistance we may extend to severely disabled veterans for the purchase of an automobile.

We favor this increase. The maximum was last increased in 1981, and by 1983 the average cost for a new car had increased almost 18 percent. We believe the increase proposed is justifiable and we do support it.

The next bill I would discuss is H.R. 5441, which would add systemic lupus erythematosis—and I will refer to that as SLE—to the list of chronic diseases in section 301 of title 38 of the United States Code and would delete the evidentiary requirement applica-

ble to most of the statutory presumptions available under section 312.

Mr. Chairman, by letter dated April 12, 1984, the agency explained in detail why we believe SLE should not be added to the list of chronic diseases for which presumptive service connection may be granted. According to our rating schedule, a 10-percent evaluation is warranted for SLE when the veteran has exacerbations once or twice a year, or is symptomatic during the past 2 years. A veteran with SLE to this degree of severity during the 1-year period following separation would in all likelihood have had lupus manifestations in service and would be entitled to service connection without the aid of a presumption. Hence, we regard the addition of SLE to the list of chronic diseases as unnecessary.

This proposed legislation goes much further. It would delete for most of the chronic disease presumptions the evidentiary requirement that certain diseases must be manifest to a degree of 10 percent or more within the prescribed post-service time period of 1 year. If this requirement were deleted, we would be left without an important statutory guideline, not only in the case of SLE, but for all other chronic diseases listed in section 301.

The 10-percent criterion reasonably restricts the use of a presumption to establish service connection to those cases in which the veteran's disease has reached at least a minimum pathological stage during the first post-service year. We believe this is a very reasonable criterion which should be retained as a basis for presuming the later-appearing condition was related to service.

We strongly urge your disapproval of H.R. 5441, particularly this provision, which we believe is inconsistent with the basic purpose of the compensation program.

The next proposed legislation, Mr. Chairman, is H.R. 5443, which would increase from $35,000 to $50,000 the maximum amount of coverage under the servicemen's group life insurance program. The availability of servicemen's group life insurance coverage serves as an aid in the recruitment and retention of members of the Armed Forces and we would, therefore, defer to the Department of Defense as to the merit of this increase.

We observe, however, that the effective date proposed for this increased coverage is contemplated to be October 1, 1984. Should the increase be approved, we suggest making the effective date for this increase 90 days after the date of enactment which would provide sufficient time for implementation within the agency and the contracting company.

The next bill on the agenda, Mr. Chairman, is H.R. 5445, which would increase the DIC rate payable to the surviving spouse of a Coast Guard Commandant to the level payable to the surviving spouses of other military service commandants. Currently, the DIC rate for surviving spouses of Coast Guard Commandants is $1,179 per month, or at the O–10 survivors' rate.

DIC rates are based on military pay grades and the Coast Guard Commandant's pay grade is at the level of O–10. In terms of our DIC rate table, the exception in this specific case would create an anomaly and, therefore, we cannot support the enactment of H.R. 5445.

Finally, Mr. Chairman, I would discuss H.R. 5442, which would make payment of pension to certain otherwise eligible applicants under age 50 conditional upon participation in programs of vocational training. While we support the bill's concept of assisting veterans and reducing the numbers on our pension rolls, we must reserve judgment on the bill until we have had an opportunity to more fully analyze the bill's provisions and the persons it would affect. We will be providing a report to the committee in the very near future which may well contain recommendations by the administration for improving the bill's effectiveness.

Mr. Chairman, that concludes the summary of my formal statement, which I ask be entered in the record, and we will be pleased to answer any questions you or members of the committee may have.

[The statement of Dorothy Starbuck appears at p. 45.]

Mr. APPLEGATE. Thank you very much, Miss Starbuck. Without objection, that shall be done. Again, we really appreciate very much your being here because your testimony is always very important to us.

You say the President's original estimate of 4.3 percent for the Social Security COLA has now been lowered in estimation to 4.1 percent.

Miss STARBUCK. That's correct.

Mr. APPLEGATE. The Congressional Budget Office estimates it to be 4.7, which differs considerably from the administration. From this, do I interpret that the administration's position is supporting the same COLA for compensation that will be given to Social Security and the other pension programs?

Miss STARBUCK. Yes, sir, Mr. Chairman, that is correct.

Mr. APPLEGATE. I guess in looking over the others we perhaps have some problems with it, but I am glad with regard to H.R. 5442 that you do support the concept of what that bill portends to do. We do recognize that this is a new and innovative proposal.

As you say, you do have some problems with it and I would look forward to receiving your report. We would want to work with you on this idea. The committee staff is ready to meet with your staff, if you feel that would be helpful, at some time in the future. The idea has so many potential benefits to our younger and catastrophically disabled veterans, and I would hate to see it receive less than the attention we feel it really deserves. I think it will go a long way in helping to give perhaps hope rather than despair to a lot of those veterans on the pension rolls and help to put them back into the workplace, which I think a lot of them would like to do. And we will certainly look forward to working with you.

Miss STARBUCK. Thank you, Mr. Chairman. We also want to work with the staff on this and we will be making contact with them as we move into the review of the bill.

Mr. APPLEGATE. Thank you.

The gentleman from South Dakota, Mr. Daschle.

Mr. DASCHLE. Thank you, Mr. Chairman.

Miss Starbuck, I only have one question. On your first page you indicate the administration's support for DIC increases in April and pension increases in December. I recall our budget resolution calls for increases for both DIC and pensions in December.

What opposition would you have to making them uniform?

Miss STARBUCK. Well, traditionally, Mr. Daschle, the compensation increase, prior to the reconciliation action of a year ago, had always succeeded the pension increases which were automatically effective on June 1, and normally compensation increases followed effective the first day of October.

When the agreement was made that all transfer programs would slip for 6 months, of course, the compensation increase slipped then to April. We feel that that is not any violation of what has happened in the past and also, an effective date of December 1 would nullify to a great extent those savings that had been realized by the 6-month slippage. I am sure veterans are as concerned about the efforts to reduce Federal expenditures as any other citizen in this country and would perhaps feel that two increases in 1 year would not be an equitable thing.

Mr. DASCHLE. In a sense, you're not really talking about two increases in 1 year because over 2 years it will average out to one increase per year. But do I take it, then, the administration would oppose moving the DIC effective date to December?

Miss STARBUCK. That is correct, Mr. Daschle. We prefer the April 1 date.

Mr. DASCHLE. How much savings is actually generated? Is there any way of getting that?

Miss STARBUCK. The estimate on the initial reduction was $167 million. Were the——

Mr. DASCHLE. Excuse me, $167 million from December to April, or $167 million from——

Miss STARBUCK. Moving from October.

Mr. DASCHLE. From October to April.

Miss STARBUCK. Yes.

Mr. DASCHLE. So it would be half that, roughly?

Miss STARBUCK. Well, we're dealing with a little bit different figures now since we have had increases, and moving it to December would have a cost of about $130 million.

Mr. DASCHLE. That's all the questions I had.

Thank you, Mr. Chairman.

Mr. APPLEGATE. Thank you, Mr. Daschle.

The gentleman from Florida, Mr. Mica.

Mr. MICA. Thank you, Mr. Chairman. I have no questions. I do appreciate your willingness to move forward with these hearings and this legislation and having an opportunity to receive testimony. I think each of these bills covers an area that does deserve consideration by the Congress.

I appreciate your being with us again this morning. There are still 5,000 veterans a month coming into Florida.

[Laughter.]

Thank you, Mr. Chairman.

Mr. APPLEGATE. Thank you, Mr. Mica. I would say, too, that the President did sign a resolution that the effective date for compensation benefit increases would be December 1. That was the sense of Congress which the President had signed.

Mr. DASCHLE. Excuse me, Mr. Chairman, if you would yield. So he has agreed, at least in general principle, to keeping both pen-

sion and DIC dates at the same effective date, which would be December?

Mr. APPLEGATE. That's correct.

Mr. DASCHLE. Well, I wasn't aware of that. I was surprised to see this because I was under that impression in a general sense—Miss Starbuck's eyebrows are way up. I have a feeling she is surprised, too.

Is there anything you can clarify on that, Miss Starbuck?

Miss STARBUCK. I don't know. The chairman's statement, as you say, caught me by surprise.

Mr. DASCHLE. It just makes sense to me. It seems to me we have caused a lot of confusion out there and I think you can make a case. I don't know. If you're talking about a hundred and some million dollars over 6 months, you're talking about half that, from December to April, and you're talking about a modicum increase in the first place. So budgetarily, I don't know if one can say this is a major development in moving it back for savings purposes.

I would hope that we could follow through with the President's leadership in this case and make sure that both DIC and pension rates are established at the same time.

Mr. APPLEGATE. Thank you.

Counsel would like to make a statement.

Mr. MOON. If I could just clarify slightly, the Congress, in enacting Public Law 98–223, included a sense-of-the-Congress statement, which was nonbinding. So in all fairness to the President, even though he signed the bill, it is only a sense-of-the-Congress statement which does not indicate his support or nonsupport.

Mr. DASCHLE. I thank you for the clarification.

Well, I know how he is a good commonsense sort of individual and I think in all good commonsense it just seems to make a lot of commonsense to keep them in December. We will see what we can do from here.

Mr. APPLEGATE. I like your style, Mr. Daschle.

[Laughter.]

Miss Starbuck, thank you very much for appearing before us.

Miss STARBUCK. Thank you very much, Mr. Chairman.

Mr. APPLEGATE. We are now going to hear from some of the various veterans' organizations. They will be taken in three panels. I would like to invoke a 5-minute rule. However, I would ask you, if you could just keep your statements to five minutes, there may be some periods for questions. We do have quite a list here to hear from.

For the first panel we have Mr. Richard Johnson, director of legislative affairs, Non Commissioned Officers Association; Mr. Max Beilke, legislative counsel, National Association for Uniformed Services; and Cmdr. John Wanamaker, deputy director of legislative affairs, Retired Officers Association.

Gentlemen, it is good to have you here once again. We are always glad to see your smiling faces. You may proceed as you wish.

STATEMENTS OF RICHARD W. JOHNSON, DIRECTOR OF LEGISLATIVE AFFAIRS, THE NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA; MAX J. BEILKE, LEGISLATIVE COUNSEL, THE NATIONAL ASSOCIATION FOR UNIFORMED SERVICES, ACCOMPANIED BY CHARLES PARTRIDGE, LEGISLATIVE COUNSEL-DESIGNATE, NAUS; AND JOHN F. WANAMAKER, DEPUTY DIRECTOR, LEGISLATIVE AFFAIRS, THE RETIRED OFFICERS ASSOCIATION

STATEMENT OF RICHARD W. JOHNSON

Mr. JOHNSON. Thank you, Mr. Chairman.

I am Richard Johnson, the director of legislative affairs for the Non Commissioned Officers Association. I will attempt to be brief this morning. First I would like to thank the committee for including the Non Commissioned Officers Association in this morning's proceeding.

Mr. Chairman, the association remains deeply concerned about the structure of the DIC program. We continue to believe the current program is inequitable in its distribution of benefits based on military grade. However, we extend our gratitude to the committee and its staff for continuing to explore the alternatives to the present system. We look forward to the June hearings scheduled on this issue and are hopeful that by this time next year sufficient information will be available to allow this committee to enact a new compensation program which will treat survivors more equitably.

Mr. Chairman, in my prepared statement I have also raised a concern about the definition of wartime service used to determine eligibility for certain veterans' benefits, particularly pensions. Under current law, only veterans who serve during periods specified by Congress are recognized as wartime veterans. However, in recent years the United States has entered into a number of limited engagements involving the combat employment of American service personnel. These people are not recognized by law as wartime veterans and NCOA believes this is highly unfair to those who served in Grenada and Lebanon and so forth. NCOA recommends that veterans who received campaign or expeditionary medals for such service be included in the definition of wartime veterans.

In our prepared statement we have also commented on each of the several pieces of legislation under consideration by the committee. We strongly support the improvements in the SGLI Program. In fact, NCOA has given its support to all the bills under consideration by the committee, but in one case, not without some reservation.

I am referring to H.R. 5442, which will extend vocational readjustment training to certain pension recipients. The association supports the bill because of its potential; yet, because of its unproven concept and the potential for abuse, NCOA recommends that at least a termination date be included in the authorizing legislation.

Finally, NCOA commends the committee on introducing H.R. 5444. We strongly support the compensation improvements proposed in the measure, and the effective date of December 1. We are also pleased that language was included to allow the Administrator

of Veterans' Affairs to adjust the rates as necessary to parallel increases provided in indexed Government programs.

Mr. Chairman, that concludes my prepared statement. I thank you for this opportunity.

[The statement of Richard Johnson appears at p. 54.]

Mr. APPLEGATE. Thank you, Mr. Johnson.

Mr. Beilke.

STATEMENT OF MAX J. BEILKE

Mr. BEILKE. Thank you, Mr. Chairman. I am Max Beilke, legislative counsel for the National Association for Uniformed Services.

I would just like to deviate, with your indulgence, a couple of minutes, Mr. Chairman, and introduce to you and the committee Mr. Chuck Partridge, who will soon be taking my position as legislative counsel for NAUS, as I will be moving on to another position.

Having said that, and in keeping with my past history of keeping my statements relatively short, you have my written statement before you and it states nothing radical or different from what I have done in the past. With that, Mr. Chairman, I will close and stand prepared to answer any questions you may have.

[The statement of Max J. Beilke appears at p. 61.]

Mr. APPLEGATE. Thank you very much, Mr. Beilke, and much success on your new venture. We certainly welcome Mr. Partridge aboard and look forward to working with him in the future. If you can do as well as Max during his tenture, we will get along just fine and we will see a lot of good legislation coming out of the Veterans' Affairs Committee.

Mr. BEILKE. Thank you, Mr. Chairman, for those kind remarks. I would like to thank you personally and your staff for all the support and courtesies that you have extended to me over the past 7 years.

Mr. APPLEGATE. Thank you.

Mr. Wanamaker.

STATEMENT OF JOHN F. WANAMAKER

Commander WANAMAKER. Thank you, Mr. Chairman. I am Commander Wanamaker, U.S. Navy, retired. I am the deputy director, legislative affairs, of the Retired Officers Association, which has its national headquarters at 201 North Washington Street in Alexandria, VA. Our association has a membership of over 328,000 former active duty officers of the seven uniformed services, and included in our membership are approximately 36,000 widows of former members.

You have asked our association to provide testimony relating to various bills pending before this subcommittee. One such unnumbered bill would provide dependency and indemnity compensation for the surviving spouse of the Commandant of the Coast Guard at the same rate as provided for the spouses of other Uniformed Service Chiefs. Our association would strongly support this legislation. However, there would still appear to be an oversight should that bill be favorably considered.

Two additional Service Chiefs of Uniformed Services would still not be included, namely, the Surgeon General of the Public Health Service, and the Administrator of the National Oceanic and Atmospheric Administration. These individual's surviving spouses would be eligible under chapter 13, title 38, for dependency and indemnity compensation should they die on active duty, and therefore, should be included in the special category rates the same as all other Uniformed Service Chiefs.

On compensation issues, on April 5 the House of Representatives passed House Concurrent Resolution 280, which would limit non-means-tested entitlement programs to a 3.5-percent nominal growth for the next 3 years. That resolution causes me grave concern. It would appear that the House would make a major deviation from longstanding policy whereby veterans compensation programs are protected against inflation. This resolution would interject a means test for the first time in veterans compensation programs. These programs were developed many years ago to replace lost income due to service-connected deaths or disabilities. While that resolution, House Concurrent Resolution 280, would impose a 3.5-percent nominal growth limitation, I would strongly recommend that whatever percentage increase is finally agreed upon by this committee, that it truly reflect the erosion in the value of that compensation due to increases experienced in consumer prices.

Our association has no complaint over whether the increase is on December 1 or April 1, but the increase should reflect the true loss in value of compensation since that last adjustment.

Imposing a cap of 3.5 percent because of some action dictated by the budget process, or to impose a means test, should not be interjected in the basic longstanding policy to provide compensation replacement due to service-connected injuries, or in the case of survivors, the loss of income due to a service member's death.

I will now deviate a little from my prepared statement in discussing this dependency and indemnity compensation, Mr. Chairman. This morning, as I was at the breakfast table, I picked up the morning paper and on the front page it tells of the death of an Air Force officer. I went to my office following reading that article and said since I am testifying this morning on the adequate compensation for his widow and dependents, let me determine what the Government is doing currently, and how can we say to make sure that adequate compensation is provided her.

I checked the current DIC schedule when I got back to my office and found that under the current schedule, DIC would replace about 17 percent of the income lost due to his death. Now, we talked about an increase of 3.5 percent, 4.3 percent, 4.1 percent or April 1 or December 1. But, Mr. Chairman, the important thing is the compensation basically is inadequate, and that is the point I would like to convey to this committee. I hope that when the June 14 date arrives for oversight hearings on this subject, that consideration of the whole issue, including the input from the Department of Defense, be given to determine what an adequate replacement income for a person's death should be.

The current Serviceman's Group Life Insurance Program is the principal insurance program made available for service members

at reasonable rates. In recent years, thanks to the action of this committe, the maximum coverage made available has been increased to $35,000. The proposed legislation would increase that maximum coverage to $50,000. I strongly urge the committee to favorably consider the current bill before this committee, but at the same time require the Department of Defense and the Veterans' Administration to review the insurance program made availab! to the civilian Federal employees and report on the feasibility for adoption of a similar plan for the Armed Services. Even the increase of the maximum coverage to $50,000 as proposed in this bill will result in less coverage being made available to our service members than is currently available to the lowest GS-1 civilian employee. For many officers and noncommissioned officers in the career force, especially those with family responsibilities, the life insurance coverage afforded by the SGLI program is insufficient.

This concludes my statement, Mr. Chairman, and I will be happy to try and respond to any questions which you may have.

[The statement of Commander Wanamaker appears at p. 66.]

Mr. APPLEGATE. Thank you very much, Commander. I appreciate your statements and your concerns in this, and they have been properly noted. We will be reviewing those statements and those concerns when we come to a markup, to make sure it is going to be fair and it's going to be equitable. I appreciate each of you and your statements in appearing before the committee.

Commander WANAMAKER. Thank you.

Mr. APPLEGATE. Our next panel has Lt. Col. David Passamaneck of the AMVETS, Mr. John Heilman, National legislative director, Disabled American Veterans, and Mrs. Jean Arthurs, legislative director, National Association of Military Widows.

Mrs. Arthur, gentlemen, it is nice to have you with us this morning. We look forward to hearing your testimony. Still having a chivalrous bone in our body, we will first listen to Mrs. Arthurs.

STATEMENTS OF JEAN ARTHURS, LEGISLATIVE DIRECTOR, NATIONAL ASSOCIATION OF MILITARY WIDOWS; DAVID J. PASSAMANECK, AMVETS; AND JOHN F. HEILMAN, NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS

STATEMENT OF JEAN ARTHURS

Mrs. ARTHURS. I am Jean Arthurs, president of the National Association of Military Widows, and we thank you for the opportunity to express our views on the dependency and indemnity compensation program and to seek your continued support for this benefit so vital to military widows.

We support heartily H.R. 5444, which provides a 4.3-percent increase in DIC benefits to survivors.

The National Association of Military Widows is an all-volunteer organization of military widows of the seven uniformed services, regular and reserve. In addition to our monitoring of legislation affecting military widows, we have become a clearinghouse for military widows' problems and an information source for many military-related groups.

Since 1956 the DIC program has assisted our military widows in meeting the basic needs when death strikes, often suddenly and

without warning, and the widow becomes head of the household with a family to raise. For many, DIC is the sole means of survival.

With the changing times, it becomes appropriate to update the profile of the DIC widow in 1984. According to the Veterans' Administration study of 1978, the average military widow receiving DIC benefits was slightly over 60 years of age. Our heavy mail confirms that there are many living lonely lives filled with many insecurities. Financial problems are becoming more and more paramount as inflation erodes assets acquired many years ago. Some widows are forced to sell their homes as mortgage payments cannot be met. The costs of maintaining older homes has escalated which indicates some changes must be made.

Problems of generic health care are probably the greatest problems we have. Military health facilities are becoming overcrowded and appointments are so elusive, often requiring long waiting periods, if such is available. The cost of civilian medical care is prohibitive. If CHAMPUS supplementary benefits are available, the financial obligation incurred by the widow is too great for consideration of such care. If you think of someone who goes in for heart care, with hospital fees, doctor fees, and other fees, it very often will come to $100,000. For the widow it becomes prohibitive, paying $25,000, they have to reconsider this. It is beyond their means.

According to the DIC law, the DIC widow is entitled to medical care at a military medical facility on the same basis as active duty dependents. However, we are unable to trace any cases where this regulation was ever followed by the medical staff.

Any means of augmenting the DIC benefit has proven difficult for many due to age or inability to break into and qualify for the work force. Constant military relocation every 2 years precluded their continuing education and possible employment. They were always short-timers and people were reluctant to hire them. In one of our cases, a widow who is trying desperately to save her home, babysits victims of Alzheimer's disease. After many hours and days of this exposure, it is affecting her mental health.

It is often reiterated that social security benefits augment DIC. The years between the maturation of the children and the widow reaching age 65 can be considerable in the interim she is not eligible for Social Security. What is she to do in these intervening years? Eighty percent of these widows' sponsors were in the enlisted ranks. Therefore, the combined benefits of DIC and social security do not exceed the poverty level. The average DIC benefit is 15 to 40 percent of the serviceman's pay.

It must be remembered that the majority of these widows' sponsors were on active duty when pay was very low and military housing as it is today was not available. The every-2-year relocations they don't have today, and seeking housing on the economy was the only alternative, and that proved to be disastrous to the budget. The military separations—always being on call with readiness to serve anywhere, to go to hazardous places on a moment's notice—invariably entailed overextending the family finances. Lack of adequate school facilities often presented expensive problems. With the affluence of today in the military, it is difficult for most to conceive the hardships and problems of transition faced during the military lifespan of most of these widows.

36-490 O - 84 - 2

The National Association of Military Widows strongly supports the updating of the DIC Program to adequately reflect the economic changes as of 1984.

The military are paid and administered by the Department of Defense and they are Federal employees in every sense of the word. They have the same paymaster. For this reason, it would seem feasible that those entitled to coverage under DIC should be eligible beneficiaries in the definitions of the FECA. A substantial difference in death compensation exists at every level between the DIC and FECA Programs. Why does the DIC widow receive so much less than the civil service widow, when she lost equally as much for her husband, her sponsor. The prevelant theory that DIC is an indemnity policy and not intended to provide adequate surviving benefits refutes our Government's standard of caring for the widow and child of the serviceman who has given his life for our country.

Conformity of the statutes is a concern of the National Association of Military Widows. Fairness and equity should be paramount in the laws of this country. For this reason, we support the present bill which accords the Coast Guard Commandant's widow the rights and privileges extended to other uniformed services. Whatever, we feel these laws should be equitable and fair and uniform.

Also, we strongly support the passage of Representative Whitehurst's bill, H.R. 433, and H.R. 334, as introduced by Representative Roe. These bills amend title 38 to allow military widows in receipt of DIC to remarry at age 60 and retain the DIC benefit.

The Nation has acknowledged a debt to these military widows through the enactment of the DIC Program. They are the surviving widows of a serviceman who died on active duty, or a retiree whose death was a result of disease or injury that is service related.

The other Federal programs covering death in job-related cases have included this option. Under the FECA Program, at age 60 the widow is allowed to remarry and her annuity continues. If she remarries before age 60, she is awarded 24 months full annuity. Under the DIC Program, if the widow remarries, she has had it. There is no award made.

Among other programs with the remarriage after 60 factor include the RSFPP Program and the survivor benefit plan with the military. Omitting the DIC group is discrimination within categories of the military community.

The Civil Service and Foreign Service programs include retaining of the annuity on remarriage after age 60.

Every one of these groups have the same paymaster—the U.S. Treasury. It is time to correct this inequity among Federal programs. The cost factor for this change would be negligible as so few widows at age 60 remarry.

This concludes my testimony for today. I do wish to thank you, Mr. Chairman, and members of the subcommittee and the staff for allowing me to testify.

[The statement of Jean Arthurs appears at p. 73.]

Mr. APPLEGATE. Thank you very much, Mrs. Arthurs.

Mr. Passamaneck.

STATEMENT OF DAVID J. PASSAMANECK

Colonel PASSAMANECK. Thank you, Mr. Chairman.

AMVETS is pleased to endorse the proposed legislation providing for a 4.3-percent cost-of-living allowance for compensation and dependency and indemnity compensation effective December 1, 1984. Our support is qualified by the contingency that the actual cost-of-living increase closely approximates this percentage at time of enactment.

We also endorse an increase in the automobile allowance of $600 provided in H.R. 4890 and appreciate the chairman's sponsorship of this necessary legislation.

We favor passage of legislation to increase maximum Servicemens Group Life Insurance coverage from $35,000 to $50,000, and the addition of "lupus erythematosis, systemic" to the list of those presumed to be service-connected within 1 year after separation, and the addition of the Coast Guard Commandant's surviving spouse to eligible recipients of DIC.

AMVETS has urged for many years, and reasserts its position now, in favor of restructuring the DIC Program to eliminate rank as a factor in determining individual entitlement. Compensation under DIC should reflect the relative disability of the deceased veteran prior to terminal illness in the case of separated veterans, and be compatible with compensation rates. The current system is an anachronistic leftover from the time when widows were provided for by the military services and not the VA.

We have no serious disagreement with the intent and purpose of vocational training for pension recipients because, in effect, the legislation refines the procedure and criteria for determining total disability. AMVETS does not, however, believe that the requirements should be imposed on only younger veterans, principally Vietnam veterans, to the exclusion of veterans of other wars. We do have some concern for the cost effectiveness of the proposal in view of the significant increase in administrative expense required to enforce the new eligibility requirements and provide vocational rehabilitation training. We believe the proposal requires further study and do not endorse it at this time.

This concludes my testimony.

[The statement of Lt. Col. David Passamaneck follows:]

TESTIMONY OF LT. COL. DAVID J. PASSAMANECK, U.S. ARMY, RETIRED

AMVETS is pleased to endorse proposed legislation to provide a 4.3 percent cost-of-living allowance for compensation and dependency indemnity compensation (DIC), effective December 1, 1984. We also endorse an increase in the automobile allowance of $600 provided in H.R. 4890 and appreciate the Chairman's sponsorship of this necessary increase.

We also favor passage of legislation to increase maximum servicemen's Group Life Insurance Coverage from $35,000 to $50,000, the addition of "lupus erythematosis, systemic" to the list of those presumed to be service connected within one year after separation, and the addition of the Coast Guard Commandant's surviving spouse to eligible recipients of DIC.

AMVETS has urged for many years, and reasserts its position now in favor of restructuring the DIC program to eliminate rank as a factor in determining individual entitlement. Compensation under DIC should reflect the relative disability of the deceased veteran and be compatible with compensation rates. The current system is an anachronistic leftover from the time when widows were provided for by the military services and not the VA.

We have no serious disagreement with the intent of proposed vocational training for pension recipients, because, in effect the legislation refines the procedure and criteria for determining total disability. AMVETS does not, however, believe that the requirements should be imposed on only younger veterans, principally Vietnam veterans, to the exclusion of veterans of other wars. We do have some concern for the cost effectiveness of the proposal in view of the significant increase in administrative expense required to enforce the new eligibility requirements and provide vocational rehabilitation training.

This concludes my testimony.

Mr. APPLEGATE. Thank you very much. I appreciate your testimony.

Mr. Heilman.

STATEMENT OF JOHN F. HEILMAN

Mr. HEILMAN. Yes, sir. Good morning, Mr. Chairman. I will summarize my testimony this morning.

First of all, the DAV does support the increase in service-connected compensation and death benefit rates. We appreciate the fact that this committee included the sense of Congress provision in the recently enacted compensation legislation regarding the effective date of December 1, 1984, and we, of course, support such an effective date. We also appreciate, Mr. Chairman, the fact that you noted you would continue to watch CPI movement to ensure that the rate adjustment legislated later this year does restore lost purchasing power.

With regard to H.R. 5441, the DAV is supportive of this goal. We do believe that lupus erythematosis, systemic, should be added to the chronic diseases in section 301(3). We have noted in our prepared statement comments from recognized medical authorities in the field, from the National Institutes of Health at Bethesda, and also a gentleman who is quite expert and works at Harvard Medical School, that lupus is, indeed, a chronic disease. It is a potentially serious connective tissue disorder. It is very incidious. The time frame between onset and diagnosis can vary considerably, from perhaps a period of months to, in fact, years.

The administration witness testified, I believe, stating that most likely anyone who comes up with lupus within 1 year of service discharge, if you examine the service clinicals, you will probably see early manifestations in service, even though the diagnosis was not made, and that service connection can therefore be granted and that the proposed change of law is unnecessary. Well, we would agree with that, but would simply add that we don't want anyone to fall through the cracks, and that if, indeed, lupus is diagnosed within 1 year of discharge from service, we believe that the presumption should be granted.

We also agree with the proposed modifications to section 312. We think the words "by aggravation" are, in fact, a contradiction in terms. If a disease is presumed to have its onset in service, then, of course, by definition, it cannot be a preexisting condition that was aggravated by service.

We also agree that the requirement concerning chronic diseases being compensably diagnosed within 1 year of services to a degree of 10 percent or more, is really superfluous. In fact, most, probably the vast majority, of such presumptions granted for these chronic diseases are, in fact, disabling. When the symptomatology does

come up, it will be compensable in nature and, therefore, the language is superfluous.

We support an increase in the automobile grant, Mr. Chairman. In our testimony we drew note to another issue which relates to this program, one which you have introduced legislation for at our request. This deals with the disposition of an automobile on the part of a veteran. Current policy constrains a veteran in terms of whom he can sell or transfer an automobile to and we think this should be changed. We would ask you to consider that in the bill, 4890.

We have no position regarding the increase in the SGLI program from $35,000 to $50,000, and likewise, with the proposal to upgrade the DIC rate for the Commandant of the Coast Guard. However, we have no objection to committee consideration and congressional passage of that legislation.

Finally, Mr. Chairman, with regard to the measure that would require vocational training consideration and/or assistance to pension applicants who are under age 50 before pension payments can begin, as has been stated by other witnesses this morning, we agree and, in fact, support the basic concept of this legislation. Obviously, if you can get veterans off the pension rolls and make them productive in terms of employment, it is good for the taxpayers, it is good for the veterans themselves.

We do believe, however, that the current legislation could be perhaps changed somewhat in certain areas that we have noted in our testimony, and that the issue itself should perhaps receive a little bit more study, and that is, in fact, what we recommend to the subcommittee.

Thank you, Mr. Chairman.

[The statement of John Heilman appears at p. 77.]

Mr. APPLEGATE. Thank you very much, Mr. Heilman, for your observations and your questions and the support you have given on the various pieces of legislation that we have. We certainly will take them all into consideration. We do agree, too, that there are some problems contained within the various pieces of legislation that we're discussing today. We hope that through these hearings and the testimonies you have all given, we will be able to do something about making the proper corrections so that we will have some good legislation.

Thank you very much.

Mr. APPLEGATE. Our third panel is Mr. Paul Egan, deputy director, National Legislative Commission, the American Legion, and Philip Wilkerson, chief of claims service, National Veterans Affairs and Rehabilitation Commission; Bob Moran, associate legislative director, Paralyzed Veterans of America; and Mr. Donald Schwab, director of the national legislative service, VFW. Welcome again to the committee. It's good to have you here.

STATEMENTS OF PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION, AND PHILIP R. WILKERSON, CHIEF OF CLAIMS SERVICE, NATIONAL VETERANS' AFFAIRS AND REHABILITATION COMMISSION, THE AMERICAN LEGION; BOB MORAN, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; AND DONALD R. SCHWAB, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. EGAN. Thank you very much, Mr. Chairman.

I have with me today Phil Wilkerson, who is the chief of our claims service, and he will summarize our remarks.

STATEMENT OF PHILIP WILKERSON

Mr. WILKERSON. Thank you, Mr. Chairman, and members of the subcommittee. The American Legion is appreciative of this opportunity to share its views on the several legislative proposals under consideration today. We shall address each proposal with respect to its intent and, thus, the bills do not follow in numerical sequence.

H.R. 5444 proposes a 4.3-percent cost-of-living increase in disability compensation and death and indemnity compensation rates for surviving spouses and children. A similar increase is proposed in the annual clothing allowance provided under section 362 of title 38. These increases would be effective December 1, 1984. The American Legion supports these proposed increases.

H.R. 4890 proposes an increase in the automotive adaptive equipment allowance from $4,400 to $5,000. In view of the trend of higher car prices, we believe this increase is appropriate.

H.R. 5445 proposes a special pay grade determination for DIC purposes for the Commandant of the Coast Guard, thereby equalizing the rates for surviving spouses of the uniformed service chiefs. We would offer no objection to this amendment.

H.R. 5443 would provide an increase in the maximum insurance coverage available under SGLI. We would not be opposed to the proposed increase.

With regard to H.R. 5442, this bill proposes a new section 524 to title 38, requiring vocational counseling to determine if the achievement of a vocational goal is reasonably feasible for an eligible veteran under the age of 50 prior to the payment of pension. If the achievement of a vocational goal is not reasonably feasible, payment of pension would begin immediately. If the achievement of a vocational goal is determined to be reasonably feasible, the veteran would be required as a condition of receiving pension to undertake a program of vocational training. It would be carried out under chapter 31 of the title and be limited to 48 months. A veteran enrolled in the program would be paid pension and could receive any of the types of services and assistance described in section 1501, with the exception of subsistance allowance and revolving loan funds. If a veteran voluntarily withdraws from the program or otherwise fails to complete it without the approval of the administrator, payment of pension will be suspended until the veteran resumes training.

In the view of the American Legion, this proposal appears to be well intentioned and it would attempt to assist seriously disabled

veterans to re-enter the labor market. However, the American Legion has serious reservations about the means by which this would be accomplished.

First, most veterans who are applying for pension are seriously disabled and indigent. To require that before any benefits are paid the veteran must receive vocational counseling seems unfair, as this would undoubtedly hold up receipt of monetary benefits for an unspecified period of time. Delays would arise from the fact that a counseling date would have to be assigned, notification sent, and then the veteran physically travel to the regional office, which might be many hundreds of miles from his home.

We are also concerned about the added workload for the vocational rehabilitation staff. Their primary responsibility is to assist the service-disabled veteran. This measure makes no provision for the additional workload created. We strongly believe the priority of service-connected disabled veterans under chapter 31 must be preserved.

We also believe many veterans enrolled in the program may have difficulty in taking full advantage of the services and assistance to be made available because it is anticipated additional expenses would be incurred for travel, food, and clothing. They would not, however, receive any subsistance or reimbursement for such expenses which effectively reduces their pension benefits and places upon them a particularly heavy and inequitable burden. The penalty clause for failure to complete training appears to be unnecessarily harsh in seeking to ensure compliance. These factors would have a deterrent effect on veterans under the age of 50 who may be eligible to apply for pension. For these reasons, the American Legion is opposed to the bill in its present form.

H.R. 5441 proposes to add lupus erythematosis to the list of chronic disabilities if occurring within 1 year from date of discharge. The American Legion has sought for many years to have lupus erythematosis added to the list of chronic disabilities for which presumptive service connection may be established. Most recently, resolution No. 325 from our 1983 National Convention reaffirms this position.

This proposal would also remove the requirement in section 312 that certain diseases and disabilities must become manifest to a compensable degree within the applicable time period and clarifies the language to remove the term "aggravated by". We would not be opposed to these changes.

This concludes our statement, Mr. Chairman.

[The statement of the American Legion appears at p. 93.]

Mr. APPLEGATE. Thank you very much, Mr. Wilkerson.

Mr. Moran.

STATEMENT OF BOB MORAN

Mr. MORAN. Thank you, Mr. Chairman.

First, it is a privilege and a pleasure for me to present the views and concerns of the Paralyzed Veterans of America here today. I am Bob Moran, associate legislative director of PVA.

First I would like to extend PVA's appreciation to the chairman of this subcommittee, to the members and to the staff of the sub-

committee, for its effort in introducing H.R. 5442, the proposed vocational training assistance for new pension recipients under the age of 50. This important and most innovative legislation will, for the first time in the history of the Non-Service-Connected Disability Pension Program, address the issue of work disincentives. It would provide vocational training opportunities to younger, newly disabled veterans.

PVA strongly supports the concept contained within the legislation. We view it as a positive step by this subcommittee to create a new program which aims to rehabilitate younger disabled veterans. It eliminates many unnecessary obstacles that impede catastrophically disabled veterans having only suffered a physical disability, thereby only requiring some type of vocational training to be gainfully employed.

Since in large part pension is based upon age, the existing program is designed to serve the needs of older veterans. As a result, very little attention has been given the pension recipient under age 65.

Although in support of H.R. 5442, we would be remiss if we failed to point out some specific concerns in which we have a personal interest and expertise.

One such concern is that PVA feels that if a veteran is eligible for pension benefits, then payment should begin upon date of application and not be subject to the date of a personal vocational counseling session as arranged by the Veterans' Administration. We make this recommendation based upon the potential time delay in scheduling, the availability of VA counselors, and the problems of the disabled individual traveling to the VA facility for counseling.

We would also encourage the implementation of a team counseling approach to this program. This structure would incorporate not only the recommendation of a vocational counselor, but also the input of medical staff who would better understand the needs and physical condition of the catastrophically disabled veteran.

A second concern is the proposed health care amendment. PVA, all of whose members are catastrophically disabled veterans, can readily attest to the importance of adequate health care, and we know it will be of great concern to those new veterans who may become eligible.

The 1-year provision for additional VA pharmacy services and medical supplies is not an adequate transition period for a newly trained disabled person entering the job market. We would recommend the establishment of a 3-year transition period similar to that currently available through the Social Security Disability Insurance/Medicare Programs.

In summary, Mr. Chairman, H.R. 5442 is a much needed component of the Non-Service-Connected Disability Pension Program. We would hope that this program is given a chance to show its effectiveness. If so, we ask that it be re-evaluated at a later date, and if successful, it should be opened up on a voluntary basis so veterans currently receiving pension could benefit from this most important concept.

Mr. Chairman, PVA supports H.R. 5444, providing for a cost-of-living increase for fiscal year 1985 for veterans receiving disability compensation and/or their survivors who are in receipt of DIC.

This compensation is, for many of PVA's members, extremely important, because for the catastrophically disabled veteran, it remains their primary source of income; therefore, compensation benefits should be adjusted each year to offset erosion caused by inflation.

PVA would like to take this opportunity to express our appreciation to the chairman and the members of the subcommittee for a provision in the law which we see as especially important, that the effective date of increase in benefits be as of December 1, 1984.

Last, PVA supports H.R. 4809, which would increase the maximum automotive assistance grant from its current level of $4,400 to $5,000. It should be noted that the $600 amount is greatly needed if the VA grant is to keep pace with the rising costs of automobiles. The needed increase in this grant would have to be twice the amount, $1,200, to fully allow the veteran to keep pace with escalating new car prices and the eroding value of the dollar.

We have compiled the costs which compare new car prices in 1981—the last time the basic automobile grant was adjusted—to today's 1984 new car prices. These comparisons are enclosed in the written testimony.

This concludes my testimony and I will be glad to answer any questions you may have.

[The statement of Bob Moran appears at p. 101.]

Mr. APPLEGATE. Thank you very much, Mr. Moran. I appreciate your testimony.

Mr. Schwab.

STATEMENT OF DONALD H. SCHWAB

Mr. SCHWAB. Thank you, Mr. Chairman. It is a privilege to appear before this distinguished subcommittee, Mr. Chairman, and I will not rehash all the provisions of the pending legislation but merely state the Veterans of Foreign Wars supports the passage of H.R. 4890, 5441, 5443, 5444, and 5445, with the stipulation that incentive pay be granted to the Commandant of the Coast Guard as authorized by section 203, title 37, of the United States Code for his counterparts.

With respect to H.R. 5442, Mr. Chairman, we believe it is a highly meritorious concept and should be pursued. However, we have some problems with the bill as written. We do not believe that the requirement to receive pension should be contingent upon mandatory vocational training. We believe that the training should be made readily available to all those for whom feasible, without penalty or stigma for nonparticipation, and the opportunity to participate extended to all disability pension beneficiaries who have not reached normal retirement age.

As I stated, we believe this proposal needs more study and the VFW does not recommend passage of H.R. 5442.

That concludes my summary, Mr. Chairman. I would be happy to respond to any questions.

[The statement of Donald Schwab appears at p. 113.]

Mr. APPLEGATE. Thank you very much, Mr. Schwab. Again, I want to thank all of you, those of you sitting there now and those previously, for your testimony. We, of course, will be taking a look

at all of these. These are certainly, by no means, assured things because we have differences with the administration and obviously we have differences with the various veterans' organizations. We do want to work together.

As we pointed out, H.R. 5442 is generally well accepted. There are areas of concerns and there are problems that need to be ironed out, but I think, as reasonable people, we can do that. We have differences with regard to the payments moved up from April 1 to December 1. However, this is an agreement that we made among ourselves for the reduction last year. I think it was 4.1 down to 3.5. We would also agree that the next increase would be as of December 1 and not April 1. As Mr. Daschle pointed out, as you average it out, it is only a one-time per year increase. But for the most part, the legislation that we have is generally pretty good.

We certainly, Bob, will address the concerns that you have with the equipment on the automobile. So there are differences. But we hope that we will be able to come out with some good legislation and we will continue to look forward to working with each of your organizations as time goes on.

I did want to say, too, that I want to thank Miss Starbuck for sticking around and listening to all of the testimony. It is important, of course, that you know as well as we know. Thank you very much for being here.

I have already asked that statements from Mr. McEwen and Mr. Hammerschmidt be, without objection, entered into the record. Also, Mr. McEwen will undoubtedly have some questions for the Veterans Administration, to be submitted for the record. I would ask the VA to provide the response to the questions and to be made a part of the record.[1]

That is all that there is before the committee this morning. I thank you all for being here.

[Whereupon, at 10:10 a.m., the subcommittee was adjourned.]

[1] See p. 119.

APPENDIX

98TH CONGRESS
1ST SESSION

H. R. 3909

To amend title 38, United States Code, to provide disability and death allowances for certain veterans exposed to ionizing radiation and their survivors, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 15, 1983

Mr. ROWLAND (for himself and Mr. HAMMERSCHMIDT) introduced the following bill; which was referred to the Committee on Veterans' Affairs

---

A BILL

To amend title 38, United States Code, to provide disability and death allowances for certain veterans exposed to ionizing radiation and their survivors, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Atomic Veterans Relief Act".

SEC. 2. (a)(1) Title 38, United States Code, is amended by inserting after chapter 13 the following new chapter:

"CHAPTER 14—DISABILITY AND DEATH ALLOWANCES FOR CERTAIN VETERANS AND SURVIVORS

"Sec.
"451. Purpose.
"452. Atomic veterans and survivors.
"453. Rates of disability and death allowances.
"454. Other benefits.
"455. Termination of chapter.

"§ 451. Purpose

"The purpose of this chapter is to provide certain benefits to veterans and the survivors of veterans who participated in atomic tests or the occupation of Hiroshima and Nagasaki and suffer from diseases that may be attributable to ionizing radiation, notwithstanding that there is insufficient medical evidence to conclude that such diseases are service connected.

"§ 452. Atomic veterans and survivors

"(a) In the case of a veteran who while on active duty particpated in the testing of an atomic bomb or device, or who while on active duty participated in the occupation of Hiroshima or Nagasaki after World War II, and who within twenty years from the date of the veteran's participation in the test or occupation suffers from a disease described in subsection (b) of this section, the Administrator shall pay a disability allowance to the veteran and, if the veteran dies from such disease, a death allowance to the survivors of the veter-

an. Such allowances shall be paid at the rates prescribed in section 453 of this title.

"(b) The diseases referred to in subsection (a) of this section are the following:

"(1) Leukemia.

"(2) Polycythemia vera.

"(3) Carcinoma of the thyroid.

"(c) Benefits may not be paid under this section with respect to a veteran—

"(1) where there is affirmative evidence that the disease described in subsection (b) of this section was not incurred by the veteran during service described in the first sentence of paragraph (1) of this subsection; or

"(2) where there is affirmative evidence to establish that an intercurrent injury or disease which is a recognized cause of any of the diseases described in subsection (b) of this section has been suffered between the date of the veteran's separation from service and the onset of such disease.

"§ 453. Rates of disability and death allowances

"A disability allowance payable to a veteran under this chapter shall be paid at the rates provided in chapter 11 of this title, based upon the degree of disability of the veteran attributable to the disease establishing eligibility for such allowance. A death allowance payable under this section to the

survivors of a veteran shall be paid to such survivors based upon the eligibility requirements and rates applicable to payments under chapter 13 of this title.

"§ 454. Other benefits

"A disease establishing eligibility for a disability allowance under this chapter shall be treated for purposes of all other laws of the United States (other than chapters 11 and 13 of this title) as if such disease were service connected, and receipt of a disability allowance under this chapter shall be treated for purposes of all other laws of the United States as if such allowance were service-connected compensation under chapter 11 of this title. Receipt of a death allowance under this chapter shall be treated for purposes of all other laws of the United States as if such allowance were disability and dependency compensation under chapter 13 of this title.

"§ 455. Termination of chapter

"This chapter shall terminate on the first day of the first month beginning after the end of the one-year period beginning on the date the Administrator submits to the appropriate committees of Congress the first report required by section 307(b)(2) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96–151).".

(2) The tables of chapters at the beginning of title 38, United States Code, and at the beginning of part II of such

title, are amended by inserting after the item relating to chapter 13 the following new item:

"14. Disability and Death Allowances for Certain Veterans and Survivors ..... 451".

(b) Chapter 14 of title 38, United States Code, as added by subsection (a), shall take effect on October 1, 1983. No benefit may be paid for any period before such date by reason of the enactment of this section.

SEC. 3. (a)(1) Chapter 3 of title 38, United States Code, is amended by inserting after section 221 the following new section:

"§ 222. Advisory Committee on Veterans Exposed to Ionizing Radiation from Nuclear Testing

"(a) The Administrator shall establish an advisory committee to be known as the Advisory Committee on Veterans Exposed to Ionizing Radiation From Nuclear Testing (hereinafter in this section referred to as the 'committee').

"(b) The committee shall consist of—

"(1) members appointed by the Administrator from the general public, including—

"(A) veterans who were exposed to ionizing radiation from the testing of a nuclear device or the occupation of Hiroshima or Nagasaki following World War II;

"(B) individuals who are recognized authorities in fields pertinent to ionizing radiation, in-

cluding the health-care needs of persons exposed to ionizing radiation; and

"(C) representatives of veterans with service-connected disabilities;

"(2) the Secretary of Defense (or a representative of the Secretary of Defense designated by the Secretary from the Defense Nuclear Agency); and

"(3) the Chief Medical Director and the Chief Benefits Director of the Veterans' Administration (or their designees).

"(c) The Administrator shall determine the number, terms of service, and pay and allowances of members of the committee appointed by the Administrator.

"(d) The Administrator shall, on a regular basis, consult with and seek the advice of the committee with respect to (1) the administration of benefits under laws administered by the Veterans' Administration for veterans who were exposed to ionizing radiation during active military, naval, or air service, and (2) the unique needs of such veterans with respect to compensation, health care, and rehabilitation.

"(e) The committee may submit to the Administrator such reports and recommendations concerning veterans exposed to ionizing radiation as the committee considers appropriate.

"(f) The Administrator shall include in each annual report submitted to Congress pursuant to section 214 of this title a summary of all reports and recommendations of the committee submitted to the Administrator since the previous annual report of the Administrator.

"(g) The committee shall terminate on October 1, 1986.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 221 the following new item:

"222. Advisory Committee on Veterans Exposed to Ionizing Radiation From Nuclear Testing.".

(b) Section 222 of title 38, United States Code, as added by subsection (a), shall take effect on October 1, 1983.

○

36-490 O - 84 - 3

I

98TH CONGRESS
2D SESSION

H. R. 4890

To amend title 38, United States Code, to increase from $4,400 to $5,000 the maximum amount of automobile adaptive equipment assistance the Administrator of Veterans' Affairs may provide to a veteran with a service-connected disability.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 22, 1984

Mr. APPLEGATE introduced the following bill; which was referred to the Committee on Veterans' Affairs

---

A BILL

To amend title 38, United States Code, to increase from $4,400 to $5,000 the maximum amount of automobile adaptive equipment assistance the Administrator of Veterans' Affairs may provide to a veteran with a service-connected disability.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1902(a) of title 38, United States Code, is amended by striking out "$4,400" and inserting in lieu thereof "$5,000".

(b) The amendment made by subsection (a) shall take effect on October 1, 1984.

○

98TH CONGRESS
2D SESSION

H. R. 5441

To amend title 38, United States Code, to add the disease lupus erythematosis to the list of chronic diseases that are considered to be service connected for purposes of veterans' benefits if occurring within one year from the date of a veteran's separation from service.

IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 1984

Mr. APPLEGATE introduced the following bill; which was referred to the Committee on Veterans' Affairs

---

A BILL

To amend title 38, United States Code, to add the disease lupus erythematosis to the list of chronic diseases that are considered to be service connected for purposes of veterans' benefits if occurring within one year from the date of a veteran's separation from service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 301(3) of title 38, United States Code, is amended by inserting below "Lukemia" the following:

"Lupus erythematosis, systemic".

(b) Section 312 of such title is amended—

(1) by striking out "to a degree 10 per centum or more" each place it appears; and

(2) by striking out "or aggravated by" both places it appears.

SEC. 2. The amendments made by the first section of this Act shall take effect on October 1, 1984.

○

I

98TH CONGRESS
2D SESSION

H. R. 5442

To amend title 38, United States Code, to require vocational training and counseling for any new Veterans' Administration pension recipient who is under age 50.

IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 1984

Mr. APPLEGATE (for himself, Mr. MCEWEN, Mr. MONTGOMERY, and Mr. HAMMERSCHMIDT) introduced the following bill; which was referred to the Committee on Veterans' Affairs

---

A BILL

To amend title 38, United States Code, to require vocational training and counseling for any new Veterans' Administration pension recipient who is under age 50.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter II of chapter 15 of title 38, United States Code, is amended by adding at the end the following new section:

"§ 524. Vocational training assistance for new pension recipients under age 50

"(a) This section applies (in addition to the other requirements of this title) to the awarding of pension to a veteran under the age of 50.

"(b) In the case of a veteran under the age of 50 who has applied for pension and has been determined to be permanently and totally disabled from a non-service-connected disability and otherwise to be entitled to pension, the Administrator (before payment of pension to the veteran is begun) shall determine whether the achievement of a vocational goal by the veteran is reasonably feasible. Any such determination shall be made only after a personal interview with the veteran by a Veterans' Administration employee who is trained in vocational counseling.

"(c) If the Administrator determines that the achievement of a vocational goal by the veteran is not reasonably feasible, payment of pension to the veteran shall begin immediately.

"(d)(1) If the Administrator determines that the achievement of a vocational goal by the veteran is reasonably feasible, then the veteran shall be required as a condition of receiving pension to undertake a program of vocational training. Any such program shall be designed in consultation with the veteran in order to meet the veteran's individual needs.

"(2) Notwithstanding the provisions of sections 1502 and 1503 of this title, a vocational training program for the purposes of this section shall be carried out as a vocational rehabilitation program under chapter 31 of this title.

"(3) A veteran enrolled in a vocational training program under this section shall be paid pension in accordance with this chapter and may receive any of the types of service and assistance described in section 1501(a) of this title with the exception of a subsistence allowance and other assistance authorized by sections 1508 and 1512 of this title.

"(4) The maximum period of a vocational training program under this section is 48 months.

"(5) If a veteran enrolled in a vocational training program voluntarily withdraws from the program (or otherwise fails to complete the program for reasons within the control of the veteran) without the approval of the Administrator, payment of pension to the veteran shall be suspended until the veteran resumes participation in the program.

"(e) In the case of a veteran to whom this section applies who is entitled to increased pension by reason of being permanently housebound or in need of regular aid and attendance who pursues a vocational training program under this section and whose entitlement to pension is terminated after completion of such program solely because the amount of the veteran's annual income is greater than the applicable maxi-

mum annual income limitation, the eligibility of the veteran for drugs and medicine under section 612(h) of this title shall continue (without regard to the amount of the annual income of the veteran) for one year after such termination of the veteran's entitlement to pension.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 523 the following new item:

"524. Vocational training assistance for new pension recipients under age 50.".

SEC. 2. Section 524 of title 38, United States Code, as added by the first section of this Act, shall apply only with respect to the awarding of pension for which application is first received by the Veterans' Administration after September 30, 1984.

○

I

98TH CONGRESS
2D SESSION

H. R. 5443

To amend title 38, United States Code, to increase from $35,000 to $50,000 the maximum amount of insurance available under the Servicemen's Group Life Insurance program.

IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 1984

Mr. APPLEGATE (for himself, Mr. MCEWEN, Mr. MONTGOMERY, and Mr. HAMMERSCHMIDT) introduced the following bill; which was referred to the Committee on Veterans' Affairs

---

A BILL

To amend title 38, United States Code, to increase from $35,000 to $50,000 the maximum amount of insurance available under the Servicemen's Group Life Insurance program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 767 of title 38, United States Code, is amended—

(1) by striking out "$35,000" in subsections (a) and (d) and inserting in lieu thereof "$50,000";

(2) by striking out "the amount of $30,000, $25,000, $20,000, $15,000, $10,000, or $5,000" in

subsections (a) and (c) and inserting in lieu thereof "any amount less than $50,000 divisible by $5,000"; and

(3) by striking out "the amount of $35,000, $30,000, $25,000, $20,000, $15,000, $10,000, or $5,000" in subsection (c) and inserting in lieu thereof "the amount of $50,000 (or any lesser amount divisible by $5,000)".

(b) The amendments made by subsection (a) shall take effect on October 1, 1984.

○

I

98TH CONGRESS
2D SESSION

H. R. 5444

To amend title 38, United States Code, to provide a cost-of-living increase for fiscal year 1985 in the rates of compensation paid to veterans with service-connected disabilities and the rates of dependency and indemnity compensation paid to survivors of such veterans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 1984

Mr. APPLEGATE (for himself, Mr. MCEWEN, Mr. MONTGOMERY, and Mr. HAMMERSCHMIDT) introduced the following bill; which was referred to the Committee on Veterans' Affairs

---

A BILL

To amend title 38, United States Code, to provide a cost-of-living increase for fiscal year 1985 in the rates of compensation paid to veterans with service-connected disabilities and the rates of dependency and indemnity compensation paid to survivors of such veterans, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE

SECTION 1. (a) This Act may be cited as the "Veterans' Compensation Amendments for Fiscal Year 1985".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

DISABILITY COMPENSATION

SEC. 2. (a) Section 314 is amended—

(1) by striking out "$64" in subsection (a) and inserting in lieu thereof "$67";

(2) by striking out "$118" in subsection (b) and inserting in lieu thereof "$123";

(3) by striking out "$179" in subsection (c) and inserting in lieu thereof "$187";

(4) by striking out "$258" in subsection (d) and inserting in lieu thereof "$269";

(5) by striking out "$364" in subsection (e) and inserting in lieu thereof "$380";

(6) by striking out "$459" in subsection (f) and inserting in lieu thereof "$479";

(7) by striking out "$579" in subsection (g) and inserting in lieu thereof "$604";

(8) by striking out "$671" in subsection (h) and inserting in lieu thereof "$700";

(9) by striking out "$755" in subsection (i) and inserting in lieu thereof "$787";

(10) by striking out "$1,255" in subsection (j) and inserting in lieu thereof "$1,309";

(11) by striking out "$1,559" and "$2,185" in subsection (k) and inserting in lieu thereof "$1,626" and "$2,279", respectively;

(12) by striking out "$1,559" in subsection (l) and inserting in lieu thereof "$1,626";

(13) by striking out "$1,719" in subsection (m) and inserting in lieu thereof "$1,793";

(14) by striking out "$1,954" in subsection (n) and inserting in lieu thereof "$2,038";

(15) by striking out "$2,185" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$2,279";

(16) by striking out "$938" and "$1,397" in subsection (r) and inserting in lieu thereof "$978" and "$1,457", respectively;

(17) by striking out "$1,404" in subsection (s) and inserting in lieu thereof "$1,464"; and

(18) by striking out "$271" in subsection (t) and inserting in lieu thereof "$283".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–

857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 3. Section 315(1) is amended—

(1) by striking out "$77" in clause (A) and inserting in lieu thereof "$80";

(2) by striking out "$128" and "$41" in clause (B) and inserting in lieu thereof "$134" and "$43", respectively;

(3) by striking out "$52" and "$41" in clause (C) and inserting in lieu thereof "$54" and "$43", respectively;

(4) by striking out "$62" in clause (D) and inserting in lieu thereof "$65";

(5) by striking out "$139" in clause (E) and inserting in lieu thereof "$145"; and

(6) by striking out "$116" in clause (F) and inserting in lieu thereof "$121".

CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 4. Section 362 is amended by striking out "$338" and inserting in lieu thereof "$353".

DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 5. (a)(1) Subsection (a) of section 411 is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	Monthly rate	Pay grade	Monthly rate
E-1	$481	W-4	$689
E-2	495	O-1	608
E-3	507	O-2	628
E-4	540	O-3	672
E-5	555	O-4	710
E-6	567	O-5	783
E-7	596	O-6	882
E-8	628	O-7	954
E-9	[1] 656	O-8	1,046
W-1	608	O-9	1,123
W-2	633	O-10	[2] 1,230
W-3	651		

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $707.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,319.".

(2) Subsection (b) of such section is amended by striking out "$53" and inserting in lieu thereof "$55".

(3) Subsection (c) of such section is amended by striking out "$139" and inserting in lieu thereof "$145".

(4) Subsection (d) of such section is amended by striking out "$68" and inserting in lieu thereof "$71".

(b) Section 413 is amended—

(1) by striking out "$233" in clause (1) and inserting in lieu thereof "$243";

(2) by striking out "$334" in clause (2) and inserting in lieu thereof "$348";

(3) by striking out "$432" in clause (3) and inserting in lieu thereof "$451"; and

(4) by striking out "$432" and "$87" in clause (4) and inserting in lieu thereof "$451" and "$91", respectively.

(c) Section 414 is amended—

(1) by striking out "$139" in subsection (a) and inserting in lieu thereof "$145";

(2) by striking out "$233" in subsection (b) and inserting in lieu thereof "$243"; and

(3) by striking out "$118" in subsection (c) and inserting in lieu thereof "$123".

EFFECTIVE DATE

SEC. 6. The amendments made by this Act shall take effect on December 1, 1984.

○

I

98TH CONGRESS
2D SESSION

H. R. 5445

To amend title 38, United States Code, to provide for dependency and indemnity compensation for the surviving spouse of a Commandant of the Coast Guard at the same rate as provided for surviving spouses of other uniformed service chiefs.

IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 1984

Mr. APPLEGATE (by request) introduced the following bill; which was referred to the Committee on Veterans' Affairs

---

A BILL

To amend title 38, United States Code, to provide for dependency and indemnity compensation for the surviving spouse of a Commandant of the Coast Guard at the same rate as provided for surviving spouses of other uniformed service chiefs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) footnote 2 of the table in section 411(a) of title 38, United States Code, is amended by striking out "or Commandant of the Marine Corps," and inserting in lieu thereof "Commandant of the Marine Corps, or Commandant of the Coast Guard,".

(b) The amendment made by subsection (a) is effective on October 1, 1984.

○

STATEMENT OF
DOROTHY L. STARBUCK
CHIEF BENEFITS DIRECTOR
VETERANS ADMINISTRATION
BEFORE THE
SUBCOMMITTEE ON COMPENSATION, PENSION, AND INSURANCE
HOUSE COMMITTEE ON VETERANS' AFFAIRS

May 1, 1984

Good morning, Mr. Chairman and members of the Subcommittee. I am very pleased to be here this morning to discuss the Administration's views on bills pending before the Subcommittee. With your permission, I will first discuss the compensation cost-of-living increase and then turn to the other bills on the agenda.

Mr. Chairman, the Veterans Administration strongly supports a cost-of-living increase in disability and dependency and indemnity compensation rates effective April 1, 1985. This date would be one year after the most recent increase in these benefits. Our support is consistent with our previous recommendations intended to offset the erosion in the purchasing power of these benefits caused by inflation. Our proposal is for an increase using the same percentage as will be applied to Social Security and VA pension rates effective December 1, 1984.

When the President's budget went forward in January, we anticipated the COLA percentage to be 4.3 percent. Since then, it has been revised downward to an estimated 4.1 percent. The

36-490 O - 84 - 4

actual percentage will be determined by the Social Security Administration, in accordance with a revised computation method, not later than November 1, 1984.

Mr. Chairman, section 2 of H.R. 5444 would increase, by 4.3 percent, the basic compensation rates as well as the higher rates for certain specified disabilities. Section 3 would increase, by the same percentage, the rates of additional compensation for dependents, and section 4, the annual clothing allowance. Sections 5 through 7 would increase DIC rates for surviving spouses and children, also by 4.3 percent. The effective date for these increases would be December 1, 1984. As the most recent increase became effective April 1, 1984, this would have the effect of giving compensation and DIC recipients a dual increase during 1984--a 3.5 percent increase in April and a further increase in December.

Mr. Chairman, from 1976 to 1982, compensation COLA's were made effective on October 1. Beginning in 1979, the COLA percentage was made identical to the Social Security-VA pension percentage effective the previous June 1. The Administration supported this policy. Because of the need for legislative savings last year, the compensation COLA was deferred to April 1 of this year. This was a one-time deferral consistent with the changeover of the Social Security-VA pension COLA effective date to a calendar

year basis. We explained last year our belief that future compensation COLA's should be effective on April 1. Our experience last year has taught us that, in these times of escalating federal deficits, veterans are prepared to share the burdens of cost-saving measures, provided they are fairly distributed. We do not believe veterans or survivors would ask to be singled out to receive favored treatment by being granted a dual increase this year. H.R. 5444 would, in effect, void much of the savings realized from last year's deferral. Although we strongly favor a cost-of-living increase, we cannot support the effective date in this measure.

Mr. Chairman, the fiscal year 1985 cost of a 4.1 percent increase, effective April 1, 1985, would be $197.4 million. Making this increase effective on December 1, 1984, would cost an additional $131.6 million. The fiscal year 1985 cost of H.R. 5444 would be $367 million.

Mr. Chairman, I would like to turn now to H.R. 4890, a bill that would increase to $5,000 the maximum amount of assistance we may extend to certain severely disabled veterans for the purchase of an automobile. We favor this increase. To qualify for this benefit, the service-disabled veteran must have suffered the loss or loss of use of one or both hands or feet or total blindness. The current maximum is $4,400. Since this benefit was last increased in 1981, automobile costs have increased considerably. In 1983 the average cost for a new car was almost 18 percent higher than in 1981,

according to the Department of Commerce. The increase proposed by H.R. 4590 is certainly justifiable, and we support it.

We anticipate making about 700 automobile assistance grants in fiscal year 1985. H.R. 4890 would increase our costs by approximately $420,000 during the coming fiscal year.

Mr. Chairman, the next bill I would like to discuss is H.R. 5441. This bill would add "systemic lupus erythematosis" (SLE) to the list of chronic diseases in section 301 of title 38, United States Code. In addition, the bill would delete an evidentiary requirement applicable to most of the statutory presumptions available under section 312, and make a technical change.

Mr. Chairman, SLE is a disease of unknown origin that can affect various body systems. It is considered to be an auto-immune disorder because of the frequent presence of antibodies that attack various body components. The course of this disease is highly variable and can begin abruptly with an acute initial episode or develop insidiously with intermittent symptoms such as fever, malaise, or multiple joint pain. Remission of symptoms is common, and a person with this disorder may experience no recurrence of symptoms for months or years. Service connection for SLE is currently in effect in some 477 cases.

Mr. Chairman, by letter dated April 12, 1984, we explained in detail why we believe SLE should not be added to the list of chronic diseases for which presumptive service connection may be granted. As you know, the statutory presumptions are applied only when the service records contain no evidence of symptoms, diagnosis, or treatment during military service. The one-year presumptions apply when the veteran, after separation from service, manifests symptoms to a 10-percent degree or more within one year after discharge.

In accordance with our Rating Schedule, a 10 percent evaluation is warranted for SLE when the veteran has "exacerbations once or twice a year or [is] symptomatic during the past 2 years." A veteran with SLE to this degree of severity during the one-year period following separation would in all likelihood have had lupus manifestations in service and would be entitled to service connection without the aid of a presumption. Hence we regard the addition of SLE to the list of chronic diseases as quite unnecessary.

H.R. 5441, however, goes much further. It would delete, for most of the chronic disease presumptions, the evidentiary requirement that certain diseases must be manifest "to a degree of 10 percent or more" within the prescribed post-service time period of one year. If this evidentiary requirement were deleted, we would be left without an important statutory guideline, not only in the case of SLE, but for all the other chronic diseases listed in section 301.

Mr. Chairman, the purpose of the statutory presumptions is to assure that no veteran's reasonable claim to compensation is overlooked, even when there is nothing in the service records to document the claim of service inception. For the chronic diseases listed in section 301, the 10-percent criterion reasonably restricts the use of a presumption to establish service connection to those cases in which the veteran's disease has reached at least a minimum pathological stage during the first post-service year.

We believe this is a very reasonable criterion which should be retained as a basis for presuming the later-appearing condition was related to service.

If a diagnosis is given of hypertension within a year of discharge, with no history of diastolic pressure of 100 or more and no medication prescribed, there is no basis to presume hypertension existed in service. However, if this bill is enacted, heart disease which first becomes disabling many years after discharge would be service-connected by presumption on the basis of a diagnosis of hypertension, zero percent disabling, within a year of discharge. If the veteran died of the heart condition, dependency and indemnity compensation would be payable. We strongly urge your disapproval of H.R. 5441, particularly this provision, which we believe is inconsistent with the basic purpose of the compensation program.

The addition of SLE to the list of chronic diseases would have little cost, far less than $1 million per year. The deletion of the 10-percent evidentiary requirement could, we believe, dramatically escalate compensation costs over the years.

Mr. Chairman, H.R. 5443 would increase, from $35,000 to $50,000, the maximum amount of coverage under the Servicemen's Group Life Insurance (SGLI) program. This program affords low-cost term life insurance to active duty service personnel and certain other categories of military personnel such as reservists. The SGLI maximum was most recently increased by Pub. L. No. 97-66, effective December 1, 1981.

The availability of SGLI coverage serves as an aid in the recruitment and retention of members of the Armed Forces and auxiliary groups such as the Reserves. We would, therefore, defer to the Department of Defense as to the merit of this increase.

SGLI is funded by premiums collected except that the Government is responsible for costs resulting from the extra hazards of military duty. Unless the Nation were to become involved in an armed conflict, there would be no increased cost to the Government from the enactment of H.R. 5443.

We observe that the effective date for the increased coverage is contemplated for October 1, 1984. Should the increase be approved, we suggest making the effective date 90 days after the date of enactment. This would provide time for implementation.

The next bill on the agenda, Mr. Chairman, is H.R. 5445. This bill would increase the DIC rate payable to the surviving spouse of a Coast Guard Commandant to the level payable to the surviving spouses of other military service commandants such as the Chief of Staff of the Army. Currently, the DIC rate for surviving spouses of Coast Guard commandants is $1,179 per month, the "O-10" survivors' rate. This is because DIC rates are based on military pay grades, and the Coast Guard Commandant's pay grade is "O-10."

Because the other top military commandants have special higher pay grades, their eligible surviving spouses are granted DIC at the rate shown in the note appearing at the end of the DIC rate table in section 411(a) of title 38, United States Code. H.R. 5445 would increase the Coast Guard Commandant's surviving spouse's DIC rate to $1,265, but would not have any effect on the Commandant's pay grade. In terms of the DIC rate table, this exception would create an anomaly. Therefore, we do not support the enactment of H.R. 5445.

Finally, Mr. Chairman, I would like to discuss H.R. 5442, which would make payment of pension to certain otherwise eligible applicants under age 50 conditional upon participation in programs of vocational training. While we support the bill's concept of assisting veterans and reducing the numbers on our

pension rolls, we reserve judgment on the bill until we have had an opportunity to more fully analyze the bill's provisions. We will be providing a report to the Committee in the near future, which may well contain recommendations for improving the bill's effectiveness.

Mr. Chairman, that concludes my formal statement. I will be pleased to answer any questions you or other members of the Subcommittee may have.

THE NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

"STRENGTH IN UNITY"

STATEMENT OF

RICHARD. W. JOHNSON
DIRECTOR OF LEGISLATIVE AFFAIRS

BEFORE THE

SUBCOMMITTEE ON COMPENSATION PENSION AND INSURANCE
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
98TH CONGRESS, SECOND SESSION

ON

COMPENSATION PROGRAMS

MAY 1, 1984

NATIONAL CAPITAL OFFICE
219 N. Washington Street • Alexandria, VA 22314 • Tele: (703) 549-0311

The Non Commissioned Officers Association of the USA (NCOA), representing more than 250,000 associated members from all components of our nation's armed forces, is grateful for this opportunity to present its views on various proposals to modify and improve veterans' compensation, pension and insurance programs. NCOA appreciates the efforts this committee has made to keep veterans' compensation benefits current during the difficult budget period of the past few years. The Association commends the committee for holding these hearings to explore additional methods of improving these programs. Before addressing specific items of concern to the committee, NCOA has two areas of oversight concern I will discuss.

First, as in the past, NCOA remains deeply concerned about the structure of the Dependency and Indemnity Compensation (DIC) program. DIC payments are awarded to the surviving spouse of a servicemember who dies while on active duty or as a result of an injury or illness incurred while on active duty. The payments are based on the pay grade the deceased veteran held at time of death or release from service. DIC is the only VA program in which rank is considered in the determination of benefits. As a result, several inequities exist in the program.

Under the current payment schedule the surviving spouse of a servicemember in pay grade E-7 with more than 16 years of service will receive $552 in monthly DIC benefits. The surviving spouse of an O-1 with less than two years of service will receive $563 monthly. No consideration is given to such factors as years of service, circumstances of death, etc. If the veteran dies of a service connected cause after leaving service, the survivor will be compensated on the basis of the pay grade held by the veteran at time of discharge. The type or degree of disability suffered by the veteran and the length of time the disability existed make no difference. Thus, the surviving spouse whose veteran husband received the maximum rate for compensation while alive, may receive only the

amount designated as payable to a widow of a private. On the otherhand, a surviving spouse whose veteran husband received the minimum rate could possibly receive the maximum DIC payment because her deceased husband held the grade of a general officer. These are just two examples of the inequities in the current program.

Since 1974 when NCOA first pointed out this problem in testimony before this committee a number of possible remedies have been offered. Yet none has captured widespread support. NCOA continues to believe a single basic benefit provided to all spouses is the most equitable distribution of survivor benefits. By this manner we continue to recognize the service and sacrifice of all veterans equally while allowing the social security system and private insurers to compensate survivors on income potential and other variables which are not germane to veterans compensation. Whatever the outcome, we encourage the committee to continue to explore alternatives to the current system.

Our second area of concern is the definition of war-time service used to determine eligibility for certain benefits, particularly pension. Under current law, only veterans who serve during periods specified by Congress are recognized as war-time veterans. For large military engagements it has proven adequate to recognize anyone who serves as a member of the armed forces as a war-time veteran. However, there have recently been many limited engagements involving the combat employment of American service personnel who are not recognized by law as war-time veterans. NCOA believes and recommends that accommodation be made in the law to allow servicemembers who receive campaign or expeditionary medals or hostile fire pay be considered as war-time veterans for the purpose of veterans benefits.

Under specific consideration by the committee this morning are six separate pieces of legislation.

H.R. 4890

H.R. 4890 will, if passed, provide a $600 increase in the one time payment made to certain veterans whose service connected medical conditions warrant the purchase of an automobile with special adaptive equipment. The measure will provide the first increase in this allowance since October 1, 1981. NCOA is pleased to support the measure.

H.R. 5441

The bill H.R. 5441 seeks to add the disease lupus erythematosis to the list of chronic diseases that are presumptively considered to be service connected if diagnosed within one year of the veteran's release from active duty. NCOA has no objection to the adoption of this measure.

H.R. 5442

If adopted, H.R. 5442 will require the VA to counsel and determine whether non-service connected pension applicants under age 50 are capable of benefiting from vocational rehabilitation as provided to veterans with service connected disabilities. It further allows the Administrator of Veterans Affairs to withhold pension payments to candidates for vocational rehabilitation training if they do not enroll or continue in the program. If the bill is adopted, it will extend to non-service connected disabled veterans a benefit which has traditionally been reserved to the service-connected disabled veteran. However, in doing so, it will provide an opportunity to reduce the non-service connected pension rolls by training those who are able to work. The VA has informally estimated small initial outlays of $2 million to $3 million during the start-up period of the legislation, but anticipates annual savings in pension outlays after three years of program operations.

NCOA views the program as having great potential, yet suggests it be approached with some reservation by the committee. If it works as anticipated many veterans will be given the opportunity to permanently remove themselves from the VA pension rolls. If the program is abused, many veterans will train only to retain pension eligibility and will remain on the pension rolls. Finally, and sadly, there will be veterans who will train but will be trapped on the pension rolls because jobs are not available for reasons ranging from medical limitations to employer prejudice.

The association recommends adoption of the proposal with amendments providing for both a sunset provision and a program review. These provisions will allow for extension of a good program or the silent demise of a bad one.

H.R. 5443

The maximum amount of insurance coverage available to active duty service members under the Servicemen's Group Life Insurance (SGLI) program will be increased from $35,000 to $50,000 if H.R. 5443 is adopted. For several years NCOA has been concerned about the adequacy of SGLI coverage limits. NCOA continues to support an increase substantially larger than the one proposed in H.R. 5443 which will still limit military personnel, regardless of grade, to the purchase of sponsored insurance in an amount lower than is available to the most junior federal civilian worker. In fact, the most junior civilian worker (GS-1) can purchase nearly $70,000 in sponsored life insurance. The association believes it is shameful to allow the continued existence of this disparity between military and civilian workers, particularly since Congress so frequently seizes the opportunity to compare the apple and orange benefits of military and civilian workers. NCOA supports the bill but encourages the committee to raise the maximum amount to at least $75,000.

H.R. 5444

H.R. 5444 is the centerpiece of today's hearing on veterans compensation programs. If adopted, it will provide a 4.3 percent increase in disability and DIC benefits for veterans and their survivors. It also perscribes an effective date of December 1, 1984 meaning the increased benefits will be reflected in payments distributed January 1, 1985.

As in the past, there is a slight disparity in the amount of increase projected by the House and Senate. NCOA anticipates this disparity will be worked out in a timely manner to provide veterans and their survivors a cost of living adjustment commensurate with the adjustment provided beneficiaries of indexed income maintenance programs such as social security and pensions. Unlike previous years when Congress had the opportunity to increase compensation benefits by an amount equal to the known increase in indexed programs, NCOA believes congress will be dealing with a projected increase this year.

In budget reports made this year, both the House and Senate Veterans Affairs Committees have programmed compensation increases effective December 1, to coincide with, increases in indexed programs. This works to the veterans advantage in that it reduces the lag-time between the base period for computation of the benefit increase and the effective date of the increase. It also places a burden on Congress to: 1)-adopt legislation on the projected increase potentially short-changing veterans and their survivors; 2)-adopt legislation in November of each year after the actual cost of living increase is known; or, 3)-adopt legislation each year providing that the cost-of-living increase in compensation benefits shall be made in a percentage equal to that provided recipients of social security and pension benefits. A "lame-duck" session will be required every other year if Congress is to fix compensation increases after the Consumer

Price Index results for the third quarter measurement period is published. Legislation based on projections and "if - then" proposals also are risky propositions. Hopefully the committee will make an effort to avoid the pitfalls which could reduce the value of this program.

H.R. 5445

As stated previously, NCOA is strongly opposed to the stratification of survivors benefits because of the inequities involved. Yet, as long as the program exists in its current form, the Association believes every attempt should be made to preserve as much equity as possible. Accordingly, NCOA supports H.R. 5445, a bill which seeks to provide the surviving spouse of any veteran who served as the Commandant of the Coast Guard, DIC payments in an amount equal to the payments provided to the surviving spouse of other veterans who have served as the "chief" of a military service.

Thank you.

Statement of

Max J. Beilke
Legislative Counsel

The National Association for Uniformed Services

Before the

Subcommittee On Compensation, Pension and Insurance

Committee on Veterans' Affairs

U.S. House of Representatives

May 1, 1984

Hearing on increases in service-connected compensation and dependency and indemnity compensation rates (H.R. 5444); increase in automobile allowance (H.R. 4890); increase in Servicemen's Group Life Insurance coverage (H.R. 5443); add lupus erythematosis, systemic, to chronic diseases (H.R. 5441); provide DIC for surviving spouse of Commandant of Coast Guard (H.R. 5445); and provide vocational training and counseling for new pensioners under age 50 (H.R. 5442).

Mr. Chairman and members of the Subcommittee, I welcome the opportunity to present the views of the National Association for Uniformed Services to this distinguished panel.

The National Association for Uniformed Services (NAUS) is unique in that our membership represents all ranks of career and non-career service personnel and their wives and widows. Our membership includes active, retired, and reserve personnel of all seven uniformed services: Army, Navy, Air Force, Marines, Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration. With such a membership, we are able to draw information from a broad base for our legislative activities.

36-490 O - 84 - 5

There are six different legislative proposals under consideration today. While NAUS is supportive of each one, I appreciate the opportunity to express briefly the views of NAUS on each proposal. I will address them in the order listed in the Subcommittee Chairman's letter of April 11, 1984 and the Notice of Meeting dated April 17, 1984.

H.R. 5444 -- To amend Title 38, United States Code, to provide an increase for fiscal year 1985 in the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans, and for other purposes.

NAUS while supporting the proposed increases in H.R. 5444, continues to support the idea of automatic adjustments based on the Consumer Price Index (CPI) as is currently being accomplished for Social Security beneficiaries.

NAUS remains concerned over the fact that Dependency and Indemnity Compensation (DIC) is the only benefit administered by the Veterans Administration that is based solely on the military pay grade of the deceased. NAUS urges this committee in conjunction with the Veterans Administration to review this program with the ultimate goal of an equitable and more encompassing criteria than solely military pay grade.

Finally in the area of Dependency and Indemnity Compensation, NAUS continues its support of allowing DIC widows to remarry after age 60 without losing entitlement to DIC.

H.R. 4890 -- To amend Title 38, United States Code, to increase from $4,400 to $5,000 the maximum amount of automobile adaptive equipment assistance the Administrator of Veterans' Affairs may provide to a veteran with a service-connected disability.

The last increase in automobile adaptive equipment assistance was made by PL 97-66, with an effective date of October 1, 1981. NAUS believes that a $600 increase in this benefit is justified not only from the standpoint of the overall inflation rate over the past three years but also the inflation rate in new car prices since 1981.

H.R. 5443 -- To amend Title 38, United States Code, to increase from $35,000 to $50,000 the maximum amount of insurance available under the Servicemen's Group Life Insurance program.

NAUS has been a long time supporter of increasing the maximum level of life insurance coverage under the Servicemen's and Veterans' Group Life Insurance (SGLI/VGLI) programs. Today is no different, NAUS gives its unqualified support to increasing the current maximum coverage of $35,000.

The current level of $35,000 is much too low for the current economic climate. For many of our young service members, SGLI will be their sole insurance coverage. Thirty-five thousand dollars is hardly an enormous legacy to leave a spouse and children, therefore many service members feel a need to seek additional coverage from private insurance companies. One problem encountered is that some private insurance companies do not care to insure military personnel or they do so only with military service disclaimer clauses and/or increased premium rates.

Civil Service and postal service employees have for many years had government sponsored insurance available to them with a higher face value than that which has been available to the military person under the SGLI/VGLI program. NAUS feels it vitally important that Congress approve an increase in SGLI coverage that will narrow the gap between the programs available to Civil Service employees and that currently available to military personnel.

The provision allowing VGLI policyholders to convert to a commercial whole life plan at the end of the five year period of coverage without a physical examination is important. Without this provision, many VGLI policyholders, would be without coverage or covered only at an extremely high cost. Because many of our veterans may physically qualify only for VGLI program conversions, it becomes even more imperative that an increase in the current coverage be approved.

While, an increase will benefit everyone, its importance to career personnel cannot be overstated. An increase will definitely be an asset and permit them to better structure their estate plans.

There is one other item NAUS would like to address concerning VGLI. Under current regulations, VGLI premiums cannot be paid by allotment from the servicemember's retired pay. NAUS supports a policy change which will allow direct payment of VGLI premiums to be made by the service finance centers. Advantages of allowing deductions from retired pay are:

. At time of retirement, a retiree could initiate an allotment effective 120 days following retirement date, to convert from SGLI/VGLI.

. Eliminates the possibility of a coverage lapse.

. Facilitates subsequent conversion of VGLI to commercial whole life and initiation of an allotment for premium from retired pay.

NAUS respectfully requests that this Subcommittee carefully analyze and review the current policy to ascertain the feasibility of providing a retired pay deduction procedure for our veterans of 20 or more years of service.

H.R. 5441 -- To amend Title 38, United States Code, to add the disease lupus erythematosis to the list of chronic diseases that are considered to be service connected for purposes of veterans' benefits if occurring within one year from date of a veteran's separation from service.

NAUS has no objection to adding the disease lupus erythematosis to section 301 (3) of Title 38.

While not a matter under review today, NAUS would however wish to make known its continued support of amending paragraph 4 of Section 312 of Title 38 to include:

. (4) multiple sclerosis; or progressive muscular atrophy or amyothropic lateral sclerosis developing a 10 per centum degree of disability or more within seven years from the date of separation from such service.

H.R. 5445 -- To amend Title 38, United States Code, to provide for dependency and indemnity compensation for the surviving spouse of a Commandant of the Coast Guard at the same rate as provided for surviving spouses of other uniformed service chiefs.

NAUS supports this proposal. In view of the fact that the Master Chief Petty Officer of the Coast Guard is placed on an equal basis,as concerns DIC payments, as the senior noncommissioned officers of the other four services, it appears almost inconceivable that the Commandant of the Coast Guard, should not be equal to the other service chiefs for Title 38 DIC benefits. Further, it is our understanding that at the present time, there is but one surviving widow of a Coast Guard Commandant. Therefore cost is not relevant, only equity of benefits according to relative position of command.

H.R. 5442 -- To amend Title 38, United States Code, to require vocational training and counseling for any new Veterans Administration pension recipient who is under age 50.

The concept of possibly returning permanently and totally disabled persons into the mainstream of our society is one that NAUS cannot take any position except that of support. Any program which will assist such individuals to again become contributing members of our society is one that will be supported by the veterans involved. NAUS realized that this proposal, with its complexities and the limited time available to Congress before adjournment may not be enacted in 1984. However, we do feel its an idea that should be developed for enactment by the 99th Congress.

This concludes my statement. I appreciate the privilege of appearing before this distinguished committee and am prepared to respond to questions.

THE
RETIRED
OFFICERS
ASSOCIATION
201 N. Washington St., Alexandria, VA 22314 • (703) 549-2311

Statement of

THE RETIRED OFFICERS ASSOCIATION

before the

SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE

COMMITTEE ON VETERANS' AFFAIRS

UNITED STATES HOUSE OF REPRESENTATIVES

Presented by:

Commander John F. Wanamaker, USN, Retired

Deputy Director, Legislative Affairs

May 1, 1984

I am Commander John Wanamaker, United States Navy, Retired, Deputy Director, Legislative Affairs of The Retired Officers Association (TROA) which has it's National Headquarters at 201 N. Washington Street, Alexandria, Virginia. Our asssociation has a membership of over 328,000 former and active duty officers of the seven Uniformed Services. Included in our membership are approximately 36,000 widows of former members.

You have asked that our association provide testimony relating to various bills pending before this subcommittee. One such unnumbered bill would provide dependency an indemnity compensation (DIC) for the surviving spouse of the Commandant of the Coast Guard at the same rate as provided for the spouses of the other "Uniformed Service Chiefs." Our association strongly supports this legislation, however, there would still appear to be an oversight should that bill be favorably considered. Two additional Service Chiefs of Uniformed Services would still not be included namely the Surgeon General of the Public Health Service and the Administrator National Oceanic and Atmospheric Administration. These individuals' surviving spouses would be eligible under Chapter 13 Title 38 for Dependency and Indemnity Compensation should they die on active duty, and should therefore be included in the special category rates the same as all other Uniformed Service Chiefs. What actually

happens should you favorably consider granting the increased benefits to all the Uniformed Services Chiefs is to provide the tax advantage to these individuals' spouses that would be attributable to additional 99 dollars per month. In all probability these members of the Uniformed Services would be eligible for Survivor Benefit Plan annuities which in turn would be offset by the tax-free DIC annuities. I would recommend that the 2nd paragraph following the DIC rates in the other unnumbered bill, relating to increases in compensation rates be changed to include these three Uniformed Services Chiefs and then probably the first bill would be unnecessary.

Compensation Increases

On April 5th the House of Representatives passed House Concurrent Resolution 280 (HCR 280) which would limit non-means tested entitlement programs to a 3.5 percent nominal growth for the next 3 years. That resolution causes me grave concern. It would appear that the House would make a major deviation from long standing policy whereby veteran's compensation programs are protected against inflation. This resolution would interject a means test for the first time in veterans compensation programs. These programs were developed many years ago to replace lost income due to service connected deaths or disabilities. While that resolution HCR 280

would impose a 3.5 percent nominal growth limitation, I would strongly recommend that whatever percentage increase is finally agreed upon by this committee that it truly reflect the erosion in the value of that compensation due to increases experienced in Consumer prices. The range of CPI increases that the Congressional Budget Office (CBO) has projected for calendar year 1984 are 4.8 percent and 5.1 percent for 3rd quarter to 3rd quarter.

The increased rate would be made effective on December 1, 1984 instead of the administration's original budget request of 1 April 1985, however, this move to an earlier date is only proper because of the loss through the 6 month previous delay made last year. Our association has no complaint over whether the increase is made on 1 December or 1 April, but the increase should reflect the true loss in value of the compensation since the last adjustment. Imposing a cap of 3.5 percent because of some action dictated by the Budget process or to impose a means test should not be interjected in the basic long standing policy to provide compensation replacement due to service connected injuries, or in the case of survivors the loss of income due to the servicemember's death.

Concurrent Receipt

Mr. Chairman, there exists one group of veterans that are not adequately compensated for service connected disabilities. The

group to which I refer are those veterans who have served 20 or more years and who have become retirement eligible for years of service. If they should become disabled on active duty, these veterans would receive the greater of the disability retired pay or retired pay based on years of service. The length of service retiree who is also disabled must in effect pay for his own disability compensation. He must forfeit an equal amount from his retired pay for years of service -- in order to receive the VA disability compensation. Veterans disability compensation is paid to replace future earnings lost because of disease or illness attributed to military service. Military retired pay for longevity, on the other hand, has no connection with disease or injury. the payments are for two completely different circumstances and should be paid concurrently. An inequity occurs when a Civil Service employee veteran can receive VA disability compensation while employed and also while in retirement without a reduction in either annuity. He can even use his years of military service for credit toward his civil service retirement. I ask you, Mr. Chairman and members of the subcommittee, "Where is the basis for fair and equal compensation for injuries in these situations?" I strongly urge this subcommittee to favorably consider legislation to correct this inequity.

Dependency and Indemnity Compensation

The amount of Dependency and Indemnity Compensation is paid depending upon the pay grade of the deceased servicemember. Unfortunately, the amounts vary considerably in the amount of actual replacement income that is lost due to that death. The replacement income ranges from a low of approximately 15 percent in certain cases and over 42 percent in other instances. In those cases where the replacement income is in the 15 percent range that amount is insufficient for the surviving spouse to maintain the home in which she may be residing at the time of the servicemembers death. A thorough review of the DIC adequacy is in order. I might add that should a federal civilian employee die of job related work that his surviving spouse would be compensated by replacing 50 percent of the annual wage he was receiving at time of death. Something comparable should be provided for the survivors of military members.

SGLI

The current Servicemember's Group Life Insurance (SGLI) program is the principle insurance program made available to servicemembers at reasonable rates. In recent years, thanks to action by this committee, the maximum coverage made available has been increased to $35,000. The proposed legislation would increase that maximum coverage to $50,000. I strongly urge the committee to favorably

consider the current bill before this committee and at the same time require the Department of Defense and the Veterans Administration to review the insurance program made available to the civilian federal employees and report on the feasability for adoption of a similar plan for the Armed Services. Even the increase of the maximum insurance to $50,000 as proposed in this bill will result in less coverage being made available than is currently available to the lowest GS-1 civilian employee. For many officers and non-commissioned officers in the career force especially those with family responsibilities, the life insurance coverage afforded by the SGLI program is insufficient.

This concludes may statement, Mr. Chairman and I will be happy to try and respond to any questions which you may have.

NATIONAL ASSOCIATION of MILITARY WIDOWS
4023 — 25th ROAD NORTH
ARLINGTON, VIRGINIA 22207

TELEPHONE: 703 — 527-4565

STATEMENT OF JEAN ARTHURS

LEGISLATIVE DIRECTOR

OF THE

NATIONAL ASSOCIATION OF MILITARY WIDOWS

BEFORE THE

SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE

COMMITTEE ON VETERANS AFFAIRS

UNITED STATES HOUSE OF REPRESENTATIVES

May 1, 1984

The Secretary of the Army stated: "When the government contracts for the serviceman, it really contracts for the entire family unit as it includes all of the family in the adjusted lifestyle, the 24-hour call, the 'perils and discomforts(with readiness to serve anywhere, to go to hazardous places at a moment's notice."

To care for him who has borne the battle, and his widow, and his orphan.
A. Lincoln

Mr. Chairman and members of the Committee:

I am Jean Arthurs, president of the National Association of Military Widows and we thank you for this opportunity to express our views on the Dependency and Indemnity Compensation program, and to seek your continued support of this benefit so vital to military widows.

The National Association of Military Widows is an all-volunteer organization of military widows of the seven uniformed services, Regular and Reserve. In addition to our monitoring legislation affecting military widows we have become a clearing-house for military widows' problems, and an information source for many military-related groups.

Since 1956 the Dependency and Indemnity Compensation program has assisted our military widows in meeting the basic needs when death strikes, often suddenly without warning, and the widow becomes head of the household with a family to raise. For many, DIC is the sole means of survival.

With the changing times it seems appropriate to update the profile of the DIC widow in 1984. According to the Veterans Administration study of 1978 the average military widow receiving DIC benefits was slightly over 60 years of age. Our heavy mail confirms that many are living lonely lives filled with insecurities. Financial problems are becoming more and more paramount as inflation erodes assets acquired many years ago. Some widows are being forced to sell their homes as mortgage payments can not be met. The costs of maintaining older homes have escalated which indicate changes must be made.

Problems of generic health care are increasing as military health facilities become more overcrowded and appointments are elusive, often requiring long waiting periods, if available. The cost of civilian medical care is prohibitive. If CHAMPUS supplimentary benefits are available the financial obligation incurred by the widow is too great for consideration of such care. According to the Dependency and Indemnity Compensation law the DIC widow is entitled to medical care at a military medical facility on the same basis as active duty dependents. We are unable to trace any cases where this regulation was followed by the medical staff.

Any means of augmenting the DIC benefit has proven difficult for many due to age or inability to break into and qualify for the workforce. Constant military relocation every two years precluded continuing education and possible employment. In one of our cases, a widow who is trying to save her home babysits victims of Alzheimers disease. Many hours and days of this exposure is affecting her mental health.

It is often reiterated that social security benefits augment DIC. The years between the maturation of the children and the widow reaching age 65 can be considerable and at this time she is not eligible for social security. Eighty percent of these widows' sponsers were in the enlisted ranks, therefore the combined benefits do not exceed the poverty level.

It must be remembered that the majority of these widows' sponsers were on active duty when pay was very low, and military housing as it is today was not available. The every-two-year relocations and seeking housing on the economy proved disasterous to the budget. The military separations — always being on call with readiness to serve anywhere, to go to hazardous places on a moment's notice — invariably entailed overextending the family finances. Lack of adeuqate schooling facilities often presented expensive problems. With the affluence of today in the military, it is difficult to conceive the hardships and problems of transition faced during the military lifespan of most of the widows.

The National Association of Military Widows strongly support the updating of the DIC program to adequately reflect the economic changes as of 1984.

The military are paid and administered by the Department of Defense and they are federal employees in every sense of the word. The military and the federal employees share the same paymaster. For this reason it would seem feasible that those entitled to coverage under the Dependency and Ind ennity Compensation program should be eligible beneficiaries in the definitions of the Federal Employees Compensation Act. A substantial difference in death compensation exists at every pay level.between DIC and the FECA programs. Why does the DIC widow receive so much less than the civil service widow? The prevelant theory that DIC is an indemnity policy and not intended to provide adequate surviving benefits refutes our government's standard of caring for the widow and child of the serviceman who has given his life for our country.

Conformity of the statues is a concern of the National Association of Military Widoww. Fairness and equity should be paramount in the laws of our country.

For this reason we support the present bill which accords the Coast Guard Commandant's widow the rights and privileges extended to the other uniformed services.

Also, we strongly support the passage of Representative Whitehurst's bill H.R. 433 and H.R. 334 as introduced by Representative Roe.

The above bills amend Title 38 to allow military widows in receipt of dependency and indemnity compensation to remarry at age 60 and retain the DIC benefit.

The nation has acknowledged a debt to these military widows through the enactment of the DIC program. They are the surviving widows of a serviceman who died on active duty, or a retiree whose death was a result of disease or injury service-related.

The other federal programs covering death in job-related cases have included this option. Under the FECA program - at age 60 the widow is allowed to remarry and her annuity continues. If she remarries before age 60, she is awarded 24 months full annuity. Under the DIC program the annuity ends with remarriage at any age and no award is made.

Among other programs with the remarriage after 60 factor include the military Retired Serviceman's Family Protection Plan and the Survivor Benefit Plan. Omitting the Dependent and Indemnity Compensation program is discrimination within categories of the military community.

The Civil Service and Foreign Service programs include the retaining of the annuity on remarriage after age 60.

Everyone of these groups have the same paymaster — the United States Treasury. It is time to correct this inequity among federal programs.

The cost factor for this change would be negligible as so few widows at age 60 have the opportunity to remarry.

This concludes my testimony for today. I wish to thank you, Mr. Chairman members of the Subcommittee and the staff for allowing me to testify today.

Jean Arthurs

Jean Arthurs

President

STATEMENT OF
JOHN F. HEILMAN
NATIONAL LEGISLATIVE DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE
OF THE
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
MAY 1, 1984

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the 860,000 members of the Disabled American Veterans, may I say that we deeply appreciate being given this opportunity to present our views on legislation relating to the service-connected disability and death compensation programs of the Veterans Administration.

H.R. 5444

Mr. Chairman, the provisions of H.R. 5444--introduced in the House by yourself and cosponsored by Full Committee Chairman Montgomery, Ranking Minority Member John Paul Hammerschmidt and Representative McEwen--would authorize a 4.3% across-the-board increase in basic disability compensation and DIC (service-connected death) benefit rates. The same percentage rate of increase would also be extended to the dependency allowances and, with one exception, to the special statutory awards and ratings that apply to the compensation and DIC programs, as well as to the VA's annual clothing allowance payable to certain service-connected veterans whose prosthetic or orthopedic devices cause unusual damage to clothing.

The proposed increases carry an effective date of December 1, 1984 and would require approximately $358 million in new Budget Authority and $323 million in Budget Outlays during the last ten months of Fiscal Year 1985.

Put in more meaningful terms, Mr. Chairman, the benefit increases would range from an additional $36 per year ($3.00 monthly) for a veteran with a 10% service-connected disability, to $648 more per year ($54 monthly) for a veteran who is determined to be 100% totally and permanently disabled due to service-connected disability.

Mr. Chairman, in any consideration of an increase in VA disability and death compensation payments, it is important to recall the principles upon which these programs were established:

> Disability compensation paid to veterans attempts to represent, to the most practical degree possible, the average impairment in earnings capacity caused by service-connected disability. DIC benefits, on the other hand, are intended to provide a measure of financial security to surviving spouses and children of veterans whose deaths are attributable to a service-connected disability.

Over the years, this Subcommittee has been most diligent in its efforts to assure that the purchasing power of these benefits keeps pace with our society's rising costs of goods and services. The most recent adjustment of these rates authorized by Public Law 98-223, though "delayed" six months due to budgetary constraints, represented the tenth consecutive year that your Subcommittee has taken action on this most important issue.

Mr. Chairman, in examination of recent and projected inflationary growth, it is appropriate to note that the time frame between the compensation/DIC benefit adjustments authorized by Public Law 98-223 and the increase authorized by Public Law 97-306 in the fall of 1982 involved a period of some 18 months. As stated, this "addition" of six months to the "normal" 12 month span between benefit adjustments that has characterized legislative increases in the program during the past ten years was necessitated by our ever-rising national deficit and associated economic pressures.

Though this delay and resultant tax dollar savings may have afforded some respite to the Fiscal Year 1984 budget, it had the opposite effect on compensation/DIC beneficiaries themselves as the 3.5% adjustment of P.L. 98-223 was more than offset by the 5.2% increase in the Consumer Price Index which has occurred since October, 1982. This fact, coupled with the advancement in the CPI that is bound to occur between the present date and December 1st of this year, certainly justifies the 4.3% increase contained in the pending bill. Depending upon the actual CPI movement that does occur during the next seven months, a higher rate of increase could well be justified.

Mr. Chairman, I do wish to make special note of the fact that in its provisions, H.R. 5444 does not include the "k" award set forth in Section 314(k), Title 38, USC. This is a special

monthly benefit--presently $62--paid in addition to the basic rates of compensation of certain veterans who have incurred the service-connected loss or loss of use of a single extremity or certain other body organs and functions.

This particular award has not always been included in prior compensation bills and was last increased to its present figure by Public Law 96-128, approved November, 1979. We therefore ask the Subcommittee to include the "k" award in any compensation bill that it may recommend to the floor of the House.

Mr. Chairman, subject to our views as cited above, we urge favorable consideration of the pending measure.

H.R. 5441

The main thrust of H.R 5441, introduced by yourself, Mr. Chairman, is directed at amending Section 301(3) of Title 38, U.S. Code, thereby adding the disease of "lupus erythematosis" to the list of chronic diseases considered to be service-connected for VA disability compensation purposes if diagnosed within one year of discharge from military service.

Mr. Chairman, as you are aware, under present laws administered by the VA, disability compensation payments are provided to honorably discharged veterans who are compensably rated for residuals of wounds, injuries or diseases that have been incurred in or aggravated by active service in our nation's Armed Forces.

In addition to "direct" service-connection or service-connection by "aggravation," service-connected status by "presumption" can be granted for a limited number of chronic conditions if such conditions have been medically diagnosed, are disabling and found within a specific period from the date of service discharge.

For example, federal law currently provides that service-connection can be granted for the following conditions:

1. multiple sclerosis disabling to a degree of 10% or more within seven years from service discharge;

2. active tuberculosis disabling to a degree of 10% or more within three years from service discharge; and

3. Hanson's Disease disabling to a degree of 10% or more within three years from service discharge.

In addition to the above cited conditions that have presumptive periods of three or seven years, present law lists a number of other chronic conditions that carry a one year presumptive period (Section 301(3), Title 38, USC).

However, Mr. Chairman, under present law the condition of systemic lupus erythematosis (also known as lupus or SLE) is not considered to be one of the chronic conditions listed in Section 301. That is to say, service-connection for VA disability compensation purposes cannot be granted for lupus unless the medical evidence of record shows that (1) the disease itself was diagnosed in service or, lacking an in-service diagnosis, (2) the initial manifestations of the disease were treated or existed in service.

36-490 O - 84 - 7

According to medical information available, systemic lupus erythematosis is a potentially serious, complicated, inflammatory connective tissue disease that can affect various major organs of the body. It is of unknown origin, extremely insidious in nature and most difficult to diagnose. Occurring more frequently in women than in men, lupus is in fact often misdiagnosed in its early stages as several of its manifestations include the common symptoms of fever, painful joints, body rashes and depression.

Although estimates vary widely on the time frame between onset and diagnosis of lupus--from six months to 25 years--most medical authorities agree on the chronic nature of the condition. Two authorities* in the field contacted by the Disabled American Veterans have offered the opinion that lupus indeed falls within the category of other chronic conditions listed in Section 301(3).

As mentioned earlier, Mr. Chairman, lupus occurs with a much higher frequency in women than in men. As the Subcommittee is well aware, in recent years females have been entering our Armed Forces in greater numbers and this is reflected by the growing number of women in our veteran population. As a consequence,

---

*Peter H. Schure, M.D., Professor of Medicine, Harvard Medical School, Chairman of the Medical Advisory Board of the Lupus Foundation of America.

Lawrence E. Shulman, M.D., Director, Division of Arthritis, Musculoskeletal and Skin Diseases, National Institute of Health, Bethesda, Maryland.

heretofore unaddressed gender related needs of female veterans are being given scrutiny by the Administration and the Congress--witness the Advisory Committee on Women Veterans initiated last year by Administrator Walters and given statutory sanction through the enactment of Public Law 98-160. We believe the pending bill speaks to this growing awareness of the needs of our female veteran population.

Mr. Chairman, the goal embodied by H.R. 5441 coincides with a resolution passed by the delegates to our most recent National Convention and we strongly support its favorable consideration by the Subcommittee.

Also contained in the pending bill is a proposed modification of Section 312, Title 38, USC (Presumptions relating to certain diseases and disabilities) which would:

1. authorize that the chronic and tropical diseases listed in Section 301(3) and (4) of Title 38, USC not be required to be manifested to a compensably disabling degree within the one year period following separation from service before service connection can be presumed; and

2. by deleting the words "as aggravated by", statutorily confirm the obvious fact that conditions service-connected through presumption and therefore determined to have had their initial onset in military service cannot, by definition, be preexisting conditions aggravated by military service.

Mr. Chairman, the first modification is in recognition of the fact that most, if not all, chronic and tropical diseases that become manifest and are diagnosed within a year from service discharge do so with a symptomatology that is compensably

disabling--hence the present wording in the statute is superfluous. The second modification simply deals with a contradiction in terms. The DAV is supportive of both of these proposed changes.

Mr. Chairman, we strongly support House passage of H.R. 5441.

H.R. 5443

The bill H.R. 5443, introduced by yourself, Mr. Chairman, and cosponsored by Chairman Montgomery, Mr. Hammerschmidt and Mr. McEwen, proposes, through appropriate amendment of Title 38, U.S. Code, to increase from $35,000 to $50,000 the maximum amount of insurance available under the Servicemen's Group Life Insurance (SGLI) program.

As the Subcommittee is aware, the SGLI program is supervised by the Veterans Administration, but administered by the Office of Servicemen's Group Life Insurance (OSGLI). Full time and/or part time coverage is provided for individuals currently on active duty in our Armed Forces, certain personnel in the Ready and Retired Reserve Forces, Cadets or Midshipmen of the various service academies, as well as certain other employees of the federal government. The current $35,000 maximum insurance coverage was placed in effect by Public Law 97-66 in the fall of 1981.

The DAV has no official position on this measure, as we have received no mandate pertaining to the SGLI program from the delegates to our most recent National Convention. I can, however, state that we have no objection to the bill's passage by the Congress.

H.R. 4890

Mr. Chairman, the bill H.R. 4890 which you introduced in the House on February 22, 1984 proposes, through appropriate amendment of Chapter 39, Title 38, U.S. Code, to increase from $4,400 to $5,000 the maximum assistance now available under the VA's Automobile and Adaptive Equipment Program.

Under current law, the VA administers a program of automobile and adaptive equipment assistance for certain severely disabled veterans who have incurred the service-connected loss or loss of use of both hands or feet, blindness in both eyes to a prescribed degree or certain limitations of function of the lower extremities.

This assistance includes:

1. a one-time grant not to exceed $4,400 toward the purchase price of an automobile or other conveyance; and

2. reimbursement for the cost of authorized adaptive equipment (including installation, repair and replacement) in subsequently purchased automobiles, so as to insure that an eligible veteran will be able to operate a vehicle in a safe and proper manner.

Mr. Chairman, the automobile award was last increased to its present figure in the fall of 1981 through the enactment of Public Law 97-66. Noting the October 1, 1984 effective date contained in the pending bill, one can well argue that the rise in the price of automobiles over the past three year period is ample justification for the proposed 13.6% grant increase. Accordingly, we do support favorable action by the Subcommittee on the bill.

Mr. Chairman, before leaving the subject of the VA's Automobile and Adaptive Equipment Program, if I may, I would like to bring to your attention a related issue which has been addressed through a resolution approved by the delegates to our organization's most recent National Convention. I might add that this same issue has also been addressed through legislation which you introduced in the Congress (at DAV request) in the fall of last year--H.R. 3900, introduced in the House on September 15, 1983.

Mr. Chairman, as stated earlier, the initial assistance available under the current program is in the form of a one-time grant, presently not to exceed $4,400. As far as the reimbursement (by the VA) for the replacement and/or repair of adaptive equipment in subsequently purchased automobiles is concerned, current law states that an eligible veteran shall not be entitled to adaptive equipment for more than one automobile at any one time.

By virtue of a General Counsel Opinion and implementing VA Circular (10-83-01, dated May 25, 1983), the VA has taken the position that reimbursement for automotive adaptive equipment is prohibited if the previously purchased and adapted automobile has been sold or given to a spouse, family member or other party residing in the same household as the veteran.

Presumably, the rationale behind the VA position is that if an automobile is disposed of in this fashion, the former "car of record" is still subject to unrestricted use on the part of the

veteran and is technically "in his possession." This, the General Counsel Opinion contends, would be in violation of the above cited requirement which prohibits adaptive equipment for more than one automobile at any one time.

Mr. Chairman, by taking this position, the VA has assumed a broad authority which, we believe, intrudes upon a veteran's decision to dispose of a valuable piece of personal property in a manner that is most economical and practical for himself and his family. Furthermore, if the automobile is to be used by a family member, then it most likely has been divested of the adaptive equipment originally installed and is thus not being used in an "unrestricted fashion" by the veteran. Finally, one can question if the current statutory bar to a "back up," older vehicle is not unduly restrictive.

The aforementioned bill, H.R. 3900, addresses this subject. It would allow an eligible veteran to be reimbursed for the cost of adaptive equipment on a newly purchased automobile, without any restrictions being placed on the manner in which the previously adapted automobile was disposed.

Mr. Chairman, we urge that the Subcommittee incorporate the provisions of H.R. 3900 into the pending bill, H.R. 4890.

H.R. 5445

The bill H.R. 5445, which was introduced by yourself, Mr. Chairman, proposes, through appropriate amendment of Section 411(a), Title 38, USC, to provide VA Dependency and Indemnity

Compensation (DIC) benefits for the surviving spouse of a Commandant of the Coast Guard at the same rate as is now provided for the surviving spouses of other deceased chiefs of the Uniformed Services (Army, Navy, Air Force, Marine Corps).

The Disabled American Veterans has no official position on this measure, having received no such legislative mandate from our most recent National Convention. We do not, however, object to its passage by the Congress.

H.R. 5442

The pending bill, H.R. 5442, introduced by yourself, Mr. Chairman and cosponsored by Chairman Montgomery and Representatives Hammerschmidt and McEwen, proposes, through appropriate amendment of Title 38, U.S. Code, to require vocational training consideration and/or assistance for veterans under 50 years of age who shall be determined eligible for VA nonservice-connected pension benefits.

Under the terms of the bill, veterans under the age of 50 years, applying for VA nonservice-connected pension benefits on or after October 1, 1984 and who are determined eligible for such pension benefits, will be referred to a vocational specialist to determine if training and the achievement of a vocational goal is reasonably feasible before payment of pension benefits can begin.

If such a determination is in the negative, payment of pension benefits to such veterans shall commence immediately. If such a determination is positive, then such veterans, as a prerequisite to receipt of pension payments, shall be required to undertake a program of vocational training.

The bill states that the vocational training program shall be carried out as a vocational program under Chapter 31, Title 38, U.S. Code (Training and Rehabilitation for Veterans with Service-connected Disabilities). The bill also provides that such veterans shall be paid pension benefits while in training and, though Chapter 31 subsistence allowances under Section 1508 and loan entitlement under Section 1512 are specifically precluded, the full range of Chapter 31 services and assistance described in Section 1501(9)(A) may be authorized (counseling, diagnostic, medical, social, psychological, independent living, economic, educational, vocational and employment services as are determined by the Administrator to be needed).

Also specified under the terms of the bill are:

1. the authorization for a maximum 48 months of vocational training;

2. the provisions that if such veterans voluntarily withdraw from training or otherwise fail to complete training for reasons within their control, pension payments shall be suspended; and

3. the provision that housebound and/or aid and attendance veterans, who have engaged in training, achieved a vocational goal and become employed and therefore have pension payments terminated due to excessive income, shall retain eligibility for drugs and medications under Section 612(h) for a period of one year following termination of pension payments.

Mr. Chairman, the Disabled American Veterans has no official position on this legislation as we have received no such mandate from the delegates to our most recent National Convention. However, we do feel compelled to offer the following views:

Certainly, the DAV has no quarrel with an attempt to encourage and/or assist veterans who are on the VA nonservice-connected pension roles to develop a vocational skill and, hopefully, become gainfully employed. From the standpoint of taxpayer relief and the individual well-being and self-esteem of the veterans in question, this is indeed a laudatory objective.

However, I must state the we do have some doubts, given the nature of the permanent and total disability criteria of the pension program, if the goal sought by H.R. 5442 is (1) possible to achieve; and/or (2) appropriately sought as presently specified in the pending bill.

Regarding point number one, the bill states that vocational training consideration shall be given to the above cited category of pension applicants who <u>have been determined</u> to be permanently and totally disabled from nonservice-connected disability.

Mr. Chairman, under present pension eligibility criteria, a permanent and total disability will be considered to exist when there is present "any impairment of mind or body which is sufficient to render it impossible for the average person to follow

a substantially gainful occupation" (38 CFR, Section 4.15, Total disability ratings). Furthermore, the decision of a VA Rating Board in evaluating and adjudicating a nonservice-connected pension claim presently involves the consideration of evidence and judgement in the medical and vocational areas.

Therefore, it would appear that the bill is somewhat paradoxical in stating that vocational training feasibility should be considered immediately following a Rating Board action which involved a decision asserting that a permanent and total disability, which precludes the possibility of substantial gainful employment, does exist. One might further argue that if proper pension determinations are being made throughout the system, then most, if not all, pension cases referred (for training consideration) would be found to be non-feasible. Or, conversely, that such pension claims where training is found to be feasible would be denied by the Rating Board (and thus not subject to referral).

Mr. Chairman, there are other points that can be raised concerning the bill as presently written.

For example, why limit the vocational training consideration to pension applicants 50 years of age or younger? Should the bill contain language addressing "probationary periods" wherein veterans who do become employed (following training) should be allowed to continue to receive pension payments for a specified period of time? Should an expeditious "mechanism" be utilized

for reinstatement of pension in those cases where gainful employment achieved is later lost? Should the goal embodied by the pending bill be initiated via a temporary "pilot" type program approach?

Finally, Mr. Chairman, our organization does have reservations concerning the propriety of extending Chapter 31 vocational rehabilitation benefit entitlement, heretofore reserved exclusively for the service-connected disabled veteran, to the nonservice-connected veteran.

In summation, Mr. Chairman, we suggest favorable action by the Subcommittee on H.R. 5442 be withheld pending further consideration and study of the issue.

* * *

This completes my statement, Mr. Chairman. Again, I wish to thank you and the Subcommittee for permitting us to present our views on these important issues.

STATEMENT OF PHILIP R. WILKERSON, CHIEF OF CLAIMS SERVICE
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
BEFORE THE SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE
COMMITTEE ON VETERANS AFFAIRS
U. S. HOUSE OF REPRESENTATIVES
MAY 1, 1984

Mr. Chairman and Members of the Subcommittee:

The American Legion is appreciative of this opportunity to share its views with you on the legislative proposal calling for increases in service-connected disability and death benefits, as well as several other measures under consideration today, all of which pertain to benefits to veterans, their dependents, and survivors. We shall address each proposal with respect to its intent, thus the bills do not follow in numerical sequence.

H. R. 5444 - to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, increase the rates of dependency and indemnity compensation for survivors of such veterans; and for other purposes.

Section 314 of the title currently provides for the payment of compensation in the amount of $1255 to those veterans with service-connected disabilities rated 100 percent or totally disabling. Higher rates of special monthly compensation are payable for certain multiple disabilities evaluated in excess of total, based upon the severity thereof. The monthly benefits for those veterans whose service-related impairments are evaluated from 10% to 90% range from $64 to $755.

Additional monthly compensation is provided under section 315 of the title for the spouses, children, and dependent parents of those veterans entitled to benefits under section 314, and whose service-connected disabilities are evaluated at 30% or more.

An annual clothing allowance is provided under 38 USC 362 to each person who, because of a disability which is compensable under the provisions of chapter 11, wears or uses a prosthetic or orthopedic appliance or appliances which the Administrator determines to wear out or tear the clothing of such veteran.

Dependency and indemnity compensation, as provided under section 411 of the title, is payable to the surviving spouse based upon the military pay grade of the veteran upon whose service-connected death entitlement is attributed. These pay grades range from E-1 through O-10, and the current monthly benefits under the DIC program range from $415 to $1147. Where there is an eligible child or children of the veteran, these rates are increased by $51 for each child under the present law. Subsections (c) and (d) of section 411 relate to aid and attendance and housebound benefits for surviving spouses and are payable at the rates of $139 and $53 respectively. Sections 413 and 414 of the title provide for specific payments for children of the veteran under certain circumstances.

The latest increase in the monthly rates of disability compensation and dependency and indemnity compensation was provided under Public Law 98-223, effective April 1, 1984. For those entitled to receive these benefits to keep pace with the increasing costs of goods and services, the rates payable must respond to cost-of-living increases.

H. R. 5444 calls for a 4.3 percent increase in the foregoing monthly benefits, as well as clothing allowance which is paid annually, to become effective on December 1, 1984. The American Legion is certainly supportive of cost-of-living increases in the service-connected disability and death benefits, and we feel that they should

be at least consistent with increases in the Consumer Price Index. The American Legion accepted the six month delay in cost-of-living increases in these important benefits for FY 1984, effective on April 1, 1984. If a departure from the customary October 1 effective date is necessary, the Legion would accept the date of December 1, the date on which increases in social security and nonservice-connected disability pension now become effective.

H. R. 4890 - to amend title 38, United States Code, to increase from $4,400 to $5,000 the maximum amount of automobile adaptive equipment assistance the Administrator of Veterans Affairs may provide to a veteran with a service-connected disability.

Section 1902(a) of the title currently provides a maximum of $4,400 to be authorized for automobile adaptive equipment for those persons eligible under section 1901. This allowance has been periodically increased in response to the upward trend of automotive costs, and the last increase was provided under Public Law 97-66 which became effective on October 17, 1981. The trend of higher car prices over the intervening 3 1/2 years has continued. The American Legion, therefore, believes the proposed increase in the adaptive equipment allowance is appropriate.

H. R. 5445 - to amend title 38, United States Code, to provide for payment of dependency and indemnity compensation for the surviving spouse of a Commandant of the Coast Guard at the same rate as provided for surviving spouses of individuals who served at a comparative rank in the other branches of military service.

This measure would amend footnote 2 to the table in section 411(a) of title 38, United States Code, by including the Commandant of the Coast Guard in determination of a special pay grade for dependency and

indemnity compensation, thereby entitling the surviving spouse to a monthly rate of $1222. This increase would become effective October 1, 1984.

The American Legion would offer no objection to this amendment as it serves to equalize the rates payable to the surviving spouses of the various uniformed service chiefs.

H. R. 5443 - to amend title 38, United States Code, to increase the maximum amount of insurance available under the Servicemen's Group Life Insurance program.

This proposal amends section 767 of the title to increase the maximum amount of insurance coverage from $35,000 to $50,000. It would also amend subsections (a) and (c) to allow purchase of insurance in any amount less than $50,000 that is divisible by $5,000. Subsection (c) would be amended to permit those individuals who had previously purchased insurance in an amount less than the full $50,000 to increase their coverage to the full $50,000 or a lesser amount divisible by $5,000, upon written application, proof of good health, and compliance with such other terms and conditions as may be prescribed by the Administrator.

The maximum amount of insurance coverage to those eligible under the Servicemen's Group Life Insurance program was last increased from $20,000 to $35,000 under Public Law 97-66, effective October 17, 1981. The American Legion would not be opposed to an increase in available insurance coverage, as proposed by this bill. It would enable members of the armed forces and other eligibles to purchase, at reasonably low cost, additional insurance protection for their survivors, if they so desire.

H. R. 5442 - to amend title 38, United States Code, to require

vocational training and counseling for any new Veterans' Administration pension recipient who is under the age of 50.

This proposal would add section 524 to subchapter II of chapter 15 of title 38, United States Code, to provide that in the case of a veteran under the age of 50 who has applied for pension and has been determined to be eligible, the Administrator, prior to paying such pension, would determine whether the achievement of a vocation goal by the veteran is reasonably feasible. Any such determination would be made after a personal interview with the veteran by a Veterans' Administration vocational counselor.

If it is determined the achievement of a vocational goal by the veteran is not reasonably feasible, payment of pension to the veteran would begin immediately.

If the achievement of a vocational goal by the veteran is reasonably feasible, the veteran would be required, as a condition of receiving pension, to undertake a program of vocational training. The program would be designed with the veteran, in order to meet the veteran's individual needs.

The vocational program would be carried out under chapter 31 of the title, and would be limited to a maximum of 48 months.

A veteran enrolled in such a program would be paid pension, and could receive any of the types of services and assistance described in section 1501(a) with the exception of subsistence allowance and revolving loans funds.

If a veteran would voluntarily withdraw from the program or otherwise fail to complete it for reasons within his control, without the approval of the Administrator, payment of pension would be suspended until the veteran resumed training.

This proposal appears to be well intentioned in that it would

36-490 O - 84 - 8

attempt to assist seriously disabled veterans to reenter the labor market through a vocational training and assistance program. However, The American Legion has serious reservations about the means by which this would be accomplished.

First, most of the veterans applying for pension are seriously disabled and indigent. To require that before any benefits are paid, the veteran must receive vocational counseling seems unfair, since it would undoubtedly hold up the receipt of monetary benefits for an unspecified period of time. Delays would arise from the fact that the veteran would have to be assigned a counseling date, be duly notified, and then physically travel to the regional office, which may be many hundreds of miles from his home. In addition, we are concerned about including such veterans under chapter 31 for rehabilitation and training purposes, in that it would place an additional burden upon the Vocational Rehabilitation staff, whose primary responsibility is to assist service-disabled veterans. This proposal makes no provision for the additional workload that would be created. We also strongly believe that the priority of the service-connected disabled veterans under chapter 31 must be preserved. In this regard, we note there are approximately 8,497,000 war veterans currently under age 50, and there are in this age bracket 32,207 veterans on the pension rolls, with several thousand veterans becoming eligible each year.

It is additionally perceived that many veterans enrolled in such a program might have considerable difficulty in taking full advantage of the services and assistance that would be made available to them. As proposed, they would only received the amount of pension to which they are entitled, and would not be eligible to receive the subsistence allowance or revolving loan funds which are reserved for service

disabled veterans in vocational training. However, it is anticipated that such veterans would in fact incur some additional expenses based on the need for travel, food, and clothing for which they would not receive any subsistence allowance or reimbursement from the Veterans Administration. This would, in our view, effectively reduce their pension benefits and place on them a particularly heavy and inequitable burden.

We also find the penalty clause for failure to complete training to be unnecessarily harsh in seeking to ensure compliance.

These factors would have a deterrent effect on veterans under the age of 50 who may be eligible to apply for pension. For these reasons, The American Legion is opposed to the bill in its present form.

H. R. 5441 - to amend title 38, United States Codes, to add the disease lupus erythematosis to the list of chronic diseases that are considered to be service-connected for the purpose of veterans' benefits if occurring within one year from the date of a veteran's separation from service.

The American Legion has sought for many years to have lupus erythematosis added to the list of chronic diseases for which service-connection may be established on a presumtive basis under section 312(a)(1). The 1983 National Convention adopted Resolution No. 325 (West Virginia), a copy of which is attached, reaffirming this position.

The measure also proposes to remove the requirement in section 312(a) and (b) that certain diseases and disabilities must become manifest to a degree of 10 percent or more within the applicable time period. We would not be opposed to this change. Section 312(a) and (b) would also be amended to remove the term "aggravated by". The American Legion would not oppose this amendment if it is solely intended to clarify the language of this section.

Mr. Chairman that concludes our statement.

SIXTY-FIFTH ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION
SEATTLE, WASHINGTON, AUGUST 23, 24, 25, 1983

RESOLUTION: No. 325 (West Virginia)

COMMITTEE: Veterans Affairs and Rehabilitation

SUBJECT: Sponsor and support legislation to provide service connection for Lupus Erythematosis becoming manifest to a degree of 10 percent or more within one year from the date of separation from a period of war service

WHEREAS, in 38 USC 301(B)(3), there are listed those chronic diseases which shall be considered to have been incurred in or aggravated by war service when manifested to a compensable degree within one year from date of separation from a period of such service; and

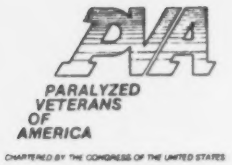
WHEREAS, Lupus Erythematosis, one of the collagen vascular diseases, is a chronic inflammatory connective tissue disorder of unknown etiology; and

WHEREAS, the onset of this disease, in many instances, is insidious and extending over a period of months, or frequently years; and

WHEREAS, a definite diagnosis of Lupus Erythematosis often times can be established only on the history of symptoms; and

WHEREAS, The American Legion believes that this disease, by reason of its insidious onset and difficult early diagnosis, should be included among those chronic diseases which shall be granted service connection if manifested initially to a compensable degree within one year from date of separation from a period of war service; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Seattle, Washington, August 23, 24, 25, 1983, that The American Legion sponsor and support legislation so as to amend title 38, United States Code 301(B)(3), by adding Lupus Erythematosis to the list of chronic diseases that shall be considered to be service-connected under section 312(a)(1), when manifested to a degree of ten percent within one year from the date of separation from a period of war service.



STATEMENT OF

BOB MORAN, ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

BEFORE THE

SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE

OF THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

CONCERNING

H.R. 5442, H.R. 5444, AND H.R. 4890

MAY 1, 1984

Mr. Chairman and Members of the Subcommitte, it is a privilege and pleasure for me to appear today and present the views of Paralyzed Veterans of America concerning the various legislative proposals which the Subcommittee is examining. I am Bob Moran, Associate Legislative Director of PVA.

Our testimony will be limited to three of the six bills being addressed here today, specifically H.R. 5444, H.R. 4890, and most notably, H.R. 5442.

Initially, I must extend PVA's appreciation to the the Chairman of this Subcommittee, the Honorable Douglas Applegate, to the Members, and to the

staff of this Subcommittee for their efforts in introducing H.R. 5442, the proposed "Vocational Training Assistance for New Pension Recipients under Age 50." This important and most innovative legislation will, for the first time in the history of the nonservice-connected (NSC) disability pension program, addresses the issue of work disincentives: it would provide vocational training opportunities to newly disabled veterans, aimed at achievement of the ultimate goal of employment. Also, this bill would greatly encourage the transition to employment by continuing eligibility for certain VA benefits during the initial stages of employment.

PVA strongly supports the concept contained within this legislation. We view it as a positive step by this Subcommitte to create a new program which aims to rehabilitate younger NSC disabled veterans. Furthermore, it eliminates many unnecessary obstacles that impede catastrophically disabled nonservice-connected veterans who desire to return to gainful employment.

PVA has, for years, maintained that the NSC pension program contains built-in work disincentives which have led to unnecessary government expenditures and loss of considerable human talent from America's work force.

Since in large part pension eligibility is based upon age, the existing program is designed to serve the needs of older veterans. As a result, very little attention has been given the pension recipient under the age 65. The existing pension program is built upon the archaic attitude that society has an obligation to "take care of" disabled persons. It has been assumed that disabled individuals are unable to provide for any of their own financial independence.

Society has, due to increased public awareness, improved technologies, and medical advancements, modernized some of these attitudes toward the disabled. Individuals with disabilities, which were once a virtual guarantee of permanent unemployability, are now being viewed as having employment potential. This change is now evidenced by the disabled population participating more fully and actively in American society.

The importance of and passage of H.R. 5442 becomes more apparent when examining the reduced availability of current federal and state program funding resources. Federal and state agencies responsible for rehabilitation are, in an attempt to reduce case work loads and to maximize resources, assisting individuals with lesser degrees of disabilities. The goal is to achieve a greater success rate in their rehabilitation programs.

Although in support of H.R. 5442, we would be remiss if we failed to point out some specific concerns in which we have a personal interest and expertise.

One such concern deals with proposed Section 524(b) of H.R. 5442. PVA feels that if a veteran is eligible for pension benefits, then payment should begin upon date of application, and not be subject to the date of a personal vocational counseling session as arranged by the Veterans Administration. We make this recommendation based upon the potential time delay in scheduling, the availability of VA counselors, and the problem of the disabled individual traveling to the VA facility for counseling.

We would also encourage the implementation of a team counseling approach to this program. This structure would incorporate not only the recommendation of a vocational counselor but also the input of medical staff who would better understand the needs and physical condition of the catastrophically disabled veteran. This team concept could better evaluate veterans' potential for training, and monitor their progress through the program to assure maximum rehabilitation success.

A second concern PVA has with H.R. 5442 is the proposed health-care amendment. PVA, all of whose members are catastrophically disabled veterans, can readily attest to the importance of adequate health care, and we know it will be of great concern to those veterans who may become eligible for this new program in the future.

Therefore, we must examine the likely effects of the timetable suggested for a veteran's eligibility for prescriptive drugs and medical supplies after completion of training. We find the language, "the eligibility of the veteran for drugs and medicine under section 612 (h) of this title shall continue (without regard to the amount of the annual income of the veteran) for one year after such termination of the veteran's entitlement to pension," to be restrictive and potentially harmful. It is likely to defeat the beneficial purpose and intent of H.R. 5442.

As stated, we know first-hand the value and importance of good health care to the catastrophically disabled person. The one year provision for additional VA pharmacy services is not an adequate transition period for a newly-trained disabled person entering the job market.

We therefore recommend the establishment of a three-year transition period similar to that currently available through the Social Security Disability Insurance/Medicare programs. There would be only minimal cost to the VA for making pharmacy services available for this additional two-year period. However, there would be a great benefit to the veteran, since the longer period would greatly enhance his chances of gaining financial security and confidence before having to absorb the full cost of his own medical care. This becomes especially important if an adequate health plan is not available through his employer.

In summary, Mr. Chairman, H.R. 5442 is a much needed component of the nonservice-connected disability pension program. We would hope that this program is given a chance to show its effectiveness. If so, we ask that it be reevaluated at a later date, and if successful, it should be opened to veterans currently receiving pension who could benefit from this most important concept.

Mr. Chairman, PVA would like to address another bill which we support, H.R. 5444. It provides for a 4.3 percent cost-of-living increase for Fiscal Year 1985 for veterans receiving disability compensation and/or their survivors who are in receipt of Dependency and Indemnity Compensation (DIC). Congress created the disability compensation program specifically for veterans with disabilities (injury or disease) incurred or aggravated while on active military service.

PVA has always supported a viable disability compensation program to care for the needs of service-connected disabled veterans and their families.

Compensation is, for many of PVA's members, extremely important, because for the catastrophically disabled veteran, it remains their primary source of income. Therefore, compensation benefits should be adjusted each year to offset erosion caused by inflation.

In reference to the proposed 4.3 percent increase in compensation benefits, we anticipate that given the current economic conditions, this rate of increase will be adequate. However, should there be an unexpected rise in the Consumer Price Index that exceeds this rate of increase, we would request that Congress adjust compensation rates accordingly.

PVA would like to take this opportunity to express our appreciation to the Chairman and Members of this Subcommittee for a provision of H.R. 5444 which we see as especially important. That is, the bill states that the effective date of increases in benefits is to be December 1, 1984.

You will recall that last year, PVA and other veterans' service organizations supported a six-month delay in compensation and DIC benefits: this was supported as a cost-saving measure whereby the government could more adequately address rising deficits. Our support was given so long as other federal programs and benefits realized a similar delay. Furthermore, we understood it to have been a one-time delay, not a re-ordering of all future effective dates. However, we have seen in the Administration's Fiscal Year 1985 budget request that April 1, not December 1, is the proposed effective date for increases in compensation and DIC benefits. Needless to say, many service-connected disabled veterans and their families feel that their sense of cooperation and willingness to sacrifice have been abused.

PVA remains very grateful for the efforts of this Subcommittee last year, when the "Veterans Compensation and Program Improvement Amendments of 1983" affirmed the sense of Congress that in future years increases in benefits were to be effective each December 1. We ask that the Subcommittee maintain this posture, that December 1 of each year will see the appropriate changes made in the service-connected disability compensation and DIC programs.

Pertinent to the DIC program, which cares for the service-connected disabled veterans' survivors, we remain discontented by the awarding of DIC benefits based on military pay grade, rather than on the veteran's degree of disability. PVA for years has opposed this inequity in the DIC program.

PVA understands the rationale for awarding benefits based on military pay grade when a serviceman dies while in active military service. However, when service-connected disabled veterans die from service-connected causes years after termination of their military service, there is little or no correlation for using military pay grade as the basis for computing the DIC benefit for a surviving spouse.

It is well recognized that the cost of continuous attendant care can greatly exceed the maximum aid and attendance allowance (A&A) given for service-connected disabilities. Therefore, very often the surviving spouse of a severely disabled veteran has provided extensive care to the veteran because of his service-connected disability.

The result is that despite a helpful A&A allowance, the spouses of service-connected disabled veterans often must provide daily time-consuming

services which these veterans cannot obtain or provide for themselves. Spouses' services produce great savings for the government in situations where, without the spouses' assistance, veterans otherwise would require institutional care. The savings reflected by in home care provided by the spouse cannot be overemphasized, when considering the astronomical cost of medical care today.

Most veterans, especially those who serve in wartime, were not careerists but were citizen soldiers who simply answered their nation's call to duty. Consequently, the majority of veterans served in the lower military pay grades, where debilitating injuries were most prevalent. Basing DIC on military pay grade, not on the degree of disability, therefore leaves many surviving spouses with inadequate benefits. This happens despite the service rendered to the nation, both by the veteran and by the surviving spouse who had assisted the veteran in living a meaningful life, free from costly institutions.

Upon becoming widowed, a surviving spouse who receives DIC may be willing to seek employment, but in many cases she would not have marketable skills (due to the constant care that she provided the veteran until his death). In addition, the spouse often must seek employment at an unrealistic and most difficult time in life, a time when others of comparable age are beginning their retirement.

PVA proposes that DIC benefits awarded to a surviving spouse be established at 75 percent of the deceased veteran's monthly compensation rate. It should

be remembered that this formula for computing DIC benefits would not contain any portion paid to the veteran for aid and attendance.

In conclusion, PVA must emphasize that present beneficiaries must not be harmed by any amendment of the DIC program. That is, existing beneficiaries should be "grandfathered" under the current law, if it is not to their benefit to elect DIC payments under a new rate structure.

Mr. Chairman, PVA supports H.R. 4890, which would increase the maximum automotive assistance grant from its current level of $4,400, to $5,000. It should be noted that the $600 amount is greatly needed if the VA grant is to keep pace with the rising costs of automobiles. In fact, Mr. Chairman and Members of the Subcommittee, the needed increase in this grant would have to be twice the amount, or $1,200, to fully allow the veteran to keep pace with escalating new car prices and the eroding value of the dollar.

We have compiled the costs which compare new car prices in 1981 (the last time the basic automobile grant was adjusted) to today's 1984 new car prices. These comparisons are presented as Appendix "A".

As clearly illustrated in Appendix "A," the average automobile price, based upon the current list prices of sixteen popular models of American cars, is now $10,494, as compared to $8,270 for similarly-equipped models in 1981. This translates into an average price increase of 26.9 percent, while H.R. 4890 proposes an increase of 13.7 percent. PVA feels, therefore, that Congress and the Administration should present no opposition to passage of H.R. 4890.

Since the automobile allowance grant was first established in 1946, the allowance has not kept pace with the rising prices of new automobiles. The original allowance of $1,600 has been adjusted only four times over the 38-year history of the grant program.

The first adjustment to the basic grant did not occur until January 11, 1971, (Public Law 91-966), yet this adjustment increased the grant 75 percent, to a new level of $2,800. On the other hand, all subsequent grant adjustments made since 1971, (1975, 1978, and 1981), have amounted to only a 57 percent increase. This is extremely disconcerting, when realizing that new car prices have nearly doubled since 1970. (Based upon Consumer Price Indexes of 107.6 (1970) to 197.5 (May 1982) for new automobiles. Statistical Abstract of the United States 1982-83, U.S. Department of Commerce, Bureau of the Census.)

Examples of the diminished purchasing power of the basic automobile allowance have been pointed out by PVA's National Service Officers. They indicate that within the last four months several service-connected disabled veterans eligible for the basic grant have been forced, because of higher new car prices, to purchase used vehicles. Because of this, the end result for these veterans will be higher costs arising from automobile maintenance. More importantly, they will be burdened by a less dependable vehicle with a shorter useful life. It is of significant concern to PVA and our seriously disabled members, who are very dependent upon their specially adapted vehicles, that this practice is being reported. We can only attribute this practice as stemming from the inadequate adjustments being made in the basic automobile grant allowance.

In closing, it should be noted that as the current trend toward smaller cars continues, many disabled veterans are finding that they have to purchase larger, more costly models in order to accommodate their physical disabilities. This results in higher initial out-of-pocket cost to these veterans and, subsequently, higher operating costs for insurance; gasoline; overall maintenance; and, in some states, license plate renewals.

Therefore, Mr. Chairman, PVA would encourage this Subcommittee to reevaluate the proposed $600 increase in the automobile allowance grant, and to amend it to $1,200 so that further deterioration of this much needed assistance does not occur.

Mr. Chairman and Members of the Subcommittee, it has been a pleasure to appear here today and to express PVA's concerns on these most important issues that directly affect our members and their families. This concludes my testimony and I will be glad to answer any questions that I can.

APPENDIX A

Testimony of Paralyzed Veterans of America as presented May 1, 1984, before the Subcommittee on Compensation, Pension and Insurance of the House Commitee on Veterans' Affairs.

Make & Model	1981 List Price*	1984 List Price*
Buick		
Century	$ 7,999	$ 10,520
Electra	10,368	13,167
Chevrolet		
Monte Carlo	8,006	10,700
Impala Caprice	7,990	9,253
Oldsmobile		
Cutlass	7,968	9,376
Delta 88	7,525	10,051
Ninety-Eight	10,440	13,974
Pontiac		
Bonneville	8,580	9,835
Grand Prix	7,803	10,299
Ford		
LTD	7,607	9,102
Thunderbird	7,551	9,633
Mercury		
Cougar	6,694	9,978
Marquis	8,601	11,576
Chrysler		
New Yorker	10,643	12,200
Le Baron	7,263	9,067
Dodge		
Diplomat	7,268	9,180
Average List Price	8,270	10,494

*All figures are rounded dollar amounts for standard equipped 2-door units. Information was obtained from the following sources:

1981 - New Car Prices, Edmund Publications Corporation.

1984 - Edmunds New Car Prices, Dell Publications, June 1984.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

OFFICE OF THE DIRECTOR

STATEMENT OF

DONALD H. SCHWAB, DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO A COST-OF-LIVING INCREASE FOR VETERANS IN RECEIPT OF COMPENSATION FOR THEIR SERVICE CONNECTED DISABILITIES, DEPENDENCY AND INDEMNITY COMPENSATION FOR ELIGIBLE SURVIVORS OF DISABLED VETERANS, AND MISCELLANEOUS LEGISLATIVE INITIATIVES

WASHINGTON, D. C. MAY 1, 1984

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the privilege of appearing before this distinguished Subcommittee to present the views of the Veterans of Foreign Wars of the United States.

My name is Donald H. Schwab and it is my privilege to serve the more than 1.97 million men and women of the Veterans of Foreign Wars as their National Legislative Director.

Mr. Chairman, H.R. 4890 introduced by you would amend 38 USC 1902(a) by increasing from $4,400 to $5,000 the grant payable by the Administrator on a one-time basis toward the purchase of an automobile or other conveyance to certain veterans with service connected disabilities. The last such increase was granted by Public Law 97-66 effective October 1, 1981. The VFW supports as realistic the proposed increase to be effective October 1, 1984.

Mr. Chairman, H.R. 5441, again introduced by you, would amend 38 USC 301(3) to add to the list of chronic diseases that are considered to be service connected

★ WASHINGTON OFFICE ★
VFW MEMORIAL BUILDING ● 200 MARYLAND AVENUE, N. E. ● WASHINGTON, D. C. 20002 ● AREA CODE 202-543-2239

36-490 O - 84 - 9

Lupus Erythematosus Systemic and striking from 38 USC 312 the requirement therein that the diseases and disabilities listed become manifest to a degree of ten percent or more and, also, the phrase "or aggravated by" (such service).

According to the Merck Manual of Diagnosis and Therapy, Lupus Erythematosus Systemic is an inflammatory connective tissue disorder of unknown etiology occuring predominantly in young women but also in children and older adults and commonly is chronic and relapsing, often with long periods (years) of remission. In view of the ever increasing number of women veterans with gender related problems, the VFW supports the addition of this disease. Eliminating the ten percent requirement is a liberalization and chronic diseases and disabilities are normally incurred in service; therefore, the phrase "or aggravated by" (such service) appears superfluous.

Mr. Chairman, H.R. 5442, introduced by you and cosponsored by the Ranking Minority Member of this Subcommittee, the Honorable Bob McEwen; the Chairman of the Veterans' Affairs Committee, the Honorable G. V. (Sonny) Montgomery; and the Ranking Minority Member, the Honorable John Paul Hammerschmidt, would add a new section 524 to 38 USC requiring that veterans under age 50 who are permanently and totally disabled due to non-service connected causes applying for pension payable by the Veterans Administration after September 30, 1984, shall be required to undergo vocational training as a prerequisite for receiving pension unless following a personal interview with a VA vocational counselor, the Administrator determines the accomplishment of a vocational goal is not reasonably feasible in which case pension payments would commence immediately. For those veterans for whom vocational training is considered being feasible, the training would be carried out as a vocational rehabilitation program under chapter 31, 38 USC, for a maximum of 48 months. Pension payments would commence immediately and the VA would also provide the cost of tuition, books, and fees for such training but not the subsistence allowance and other assistance authorized by sections 1508 and 1512, 38 USC, for

veterans with service connected disabilities. If a veteran voluntarily withdraws from the vocational training program (or otherwise fails to complete the program for reasons within the control of the veteran) without the approval of the Administrator, payment of pension to the veteran shall be suspended until the veteran resumes participation in the program. In the case of a veteran entitled to increased pension by reason of being housebound or in need of regular aid and attendance who completes the program and as a result of subsequent employment pension is terminated because income exceeds the annual income limitation for pension purposes, the veteran's eligibility for drugs and medicine under 38 USC, 612(h) shall continue for one year following termination of pension without regard to the amount of annual income of the veteran.

Mr. Chairman, making eligibility for pension contingent upon mandatory participation in a vocational training program is a major departure from long established criteria. In addition, the instant legislation would at this time be applicable only to Vietnam-era veterans, many of whom already believe they have received short shrift in benefits when compared to veterans of prior wars. Notwithstanding, the concept of making vocational training available to those in receipt of pension to overcome their earning impairment so that they may again lead productive, meaningful lives is highly meritorious. Those for whom such training is feasible will surely welcome this added benefit and the sponsors of the bill are to be complimented. How uplifting and gratifying it would be to restore a high level of self-esteem and self-sufficiency to 70 percent of any group of pension recipients as has been the experience with veterans suffering from service connected disabilities who have undergone vocational rehabilitation.

Having stated the foregoing, the VFW suggests that vocational training as envisioned in H.R. 5442 should neither be mandatory nor restricted to future applicants for disability pension. We believe the proposed program should be made

readily available to those for whom feasible, without penalty or stigma for non-participation, and the opportunity to participate extended to all disability pension beneficiaries who have not reached normal retirement age. However, this proposal requires much more study and the VFW does not recommend passage of H.R. 5442.

H.R. 5443, introduced by you with the same cosponsors, would amend 38 USC 767(a) to increase from $35,000 to $50,000 the Servicemen's Group Life Insurance (SGLI) for Armed Forces personnel on active duty, active duty for training, inactive duty training scheduled in advance, certain members of the Ready Reserve, and those members of the Retired Reserve. This increase in insurance would become effective October 1, 1984, and the VFW supports passage of the legislation since the last increase became effective December 1, 1981, as enunciated in Public Law 97-66.

Mr. Chairman, H.R. 5444, introduced by you and, again, with the same cosponsors, would provide a 4.3 percent cost-of-living increase for the 2.2 million veterans suffering from service connected disabilities, the 344,000 survivors of veterans in receipt of dependency and indemnity compensation, the additional allowance authorized for certain dependents, and the clothing allowance for veterans so entitled effective December 1, 1984.

As you are aware, one of the provisions of Public Law 98-223 expresses the sense of Congress that future compensation and DIC payments would take effect December 1 of the fiscal year involved commencing in the fiscal year 1985 which the VFW supports.

With respect to the percentage of increase, the Congressional Budget Office now estimates that the percentage may be as much as 4.7 percent which may be subject to further modification. The VFW supports a full cost-of-living increase in compensation and DIC regardless of the percentage deemed appropriate at the time.

Mr. Chairman, the one bill under consideration introduced by you by request is H.R. 5445 to amend footnote 2 of the table in 38 USC 411(a) by adding to the

list of those Flag Officers whose survivors receive a larger Dependency and Indemnity Compensation (DIC) payment than other Flag Officers of comparable rank--the Commandant of the Coast Guard.

Mr. Chairman, 37 USC 203 stipulates that Flag Officers serving as chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or the Commandant of the Marine Corps shall receive higher pay than other Flag Officers serving in the O-10 pay grade. This incentive pay is not presently paid to the Commandant of the Coast Guard, therefore, DIC paid to his widow is less than that paid to the survivors of his counterparts in the other services. It is my understanding that action is pending to grant this incentive pay to the Commandant of the Coast Guard and if this is accomplished, the VFW supports the pending legislation.

This concludes my testimony, Mr. Chairman, and I will be happy to respond to any questions you may have.

DEMOCRATS
G. V. (SONNY) MONTGOMERY, MISS.
DON EDWARDS, CALIF.
BOB EDGAR, PA.
SAM B. HALL, JR., TEX.
DOUGLAS APPLEGATE, OHIO
MARVIN LEATH, TEX.
RICHARD C. SHELBY, ALA.
DAN MICA, FLA.
THOMAS A. DASCHLE, S. DAK.
WAYNE DOWDY, MISS.
MATTHEW G. MARTINEZ, CALIF.
LANE EVANS, ILL.
MARCY KAPTUR, OHIO
FRANK HARRISON, PA.
ALAN B. MOLLOHAN, W. VA.
TIMOTHY J. PENNY, MINN.
HARLEY O. STAGGERS, JR., W. VA.
J. ROY ROWLAND, GA.
JIM SLATTERY, KANS.
JOHN BRYANT, TEX.
BILL RICHARDSON, N. MEX.
MACK FLEMING
CHIEF COUNSEL AND STAFF DIRECTOR

NINETY-EIGHTH CONGRESS
G. V. (SONNY) MONTGOMERY
CHAIRMAN

U.S. House of Representatives
COMMITTEE ON VETERANS' AFFAIRS
335 CANNON HOUSE OFFICE BUILDING
Washington, D.C. 20515

REPUBLICANS
JOHN PAUL HAMMERSCHMIDT, ARK.
CHALMERS P. WYLIE, OHIO
ELWOOD HILLIS, IND.
GERALD B. H. SOLOMON, N.Y.
BOB McEWEN, OHIO
CHRISTOPHER H. SMITH, N.J.
DENNY SMITH, OREG.
PHIL GRAMM, TEX.
DAN BURTON, IND.
DON SUNDQUIST, TENN.
MICHAEL BILIRAKIS, FLA.
NANCY LEE JOHNSON, CONN.

May 7, 1984

Miss Dorothy Starbuck
Chief Benefits Director
Veterans Administration
810 Vermont Avenue, N.W.
Washington, D.C. 20420

Dear Miss Starbuck:

It would be appreciated if you would answer for the record the following questions which will be printed in connection with the hearing held May 1, by the Subcommittee on Compensation, Pension and Insurance.

1. Do you know how many widows would stay on the rolls under the proposal of allowing them to remain on the rolls after remarriage if over 60 years of age? What would be the cost?

2. I understand that about 285,000 retirees have waived at least part of their retired pay to receive compensation from the Veterans Administration. Do you know how many are retired with disability with less than 20 years service?

3. When can we expect your comments on the pension-rehabilitation proposal and do you expect to support some version of the idea?

4. Is the VA studying DIC in the expectation of making any recommendations to the Congress to alter the current concept?

5. Do you know if DOD opposes or supports the proposed increase in Servicemen's Group Life Insurance?

Thank you for your cooperation in providing a timely response.

Sincerely,

BOB MCEWEN
Member of Congress

BM/pd

Department of Veterans Benefits Washington D C 20420

Veterans Administration

MAY 24 1984

In Reply Refer To:
211A

Honorable Bob McEwen
House of Representatives
Washington, D.C. 20515

Dear Mr. McEwen:

Thank you for this opportunity to answer for the record your questions from the hearing of May 1. Our answers are as follow:

1. We provided a cost estimate in connection with H.R. 433, a bill which would provide continued eligibility for DIC to surviving spouses who remarry after age 60. This cost estimate was based on available data which show that approximately 500 to 600 DIC surviving spouses over age 60 could be expected to remarry each year. The approximate first year cost based on these figures, and the rate increase effective April 1, 1984, would be $2 million. The cost would increase to approximately $15 million in the fifth year. The cost based on the number of surviving spouses who remarry each year does not provide a complete picture, however. There are surviving spouses who at some time in the past remarried after age 60 and who, if the bar to benefits were removed, would regain eligibility for DIC. We have no way of knowing how many such surviving spouses there currently are and, therefore, we are unable to provide a reliable estimate of the total number of potentially eligible persons or the total cost.

2. Our records indicate whether a veteran receiving compensation is also entitled to military retired pay. The records do not indicate whether that eligibility for retired pay is based on years of service or disability. Therefore, we are unable to provide you with the number who are retired with disability.

3. The Agency report on H.R. 5442, the pension-rehabilitation proposal, should reach you at approximately the same time as this letter.

4. The purpose of the DIC study is to obtain and analyze information regarding DIC awards which is not available from other sources. It was not our original intention that the study would necessarily lead to a legislative proposal. We have obtained the data from our regional offices and are in the analysis process. We are unable to determine at this time the final results.

Honorable Bob McEwen

5. The report of the Fifth Quadrennial Review of Military Compensation, which was dated December 1983 and released by the Department of Defense, has as one of its recommendations, "Increase the basic level of SGLI coverage to $50,000 and concurrently offer additional coverage of $50,000 on a voluntary, by written application basis."

Sincerely yours,

DOROTHY T. STAFFUCK
Chief Benefits Director

BLINDED VETERANS ASSOCIATION
1735 DeSALES STREET, NORTHWEST • WASHINGTON, D. C. 20036 • (202) 347-4010

STATEMENT SUBMITTED BY THOMAS MILLER
NATIONAL PRESIDENT OF THE BLINDED VETERANS ASSOCIATION
TO THE SUBCOMMITTEE ON COMPENSATION, PENSION, AND INSURANCE
OF THE HOUSE VETERANS AFFAIRS COMMITTEE

MAY 1, 1984

I am very proud to submit this statement to the Subcommittee on Compensation, Pension, and Insurance of the House Veterans Affairs Committee. I deeply regret that I will not be able to appear before this subcommittee hearing to state the position of the Blinded Veterans Association concerning the legislation under consideration today.

As you are aware, the Blinded Veterans Association was chartered by the U.S. Congress to represent the special needs of a targeted group of disabled veterans--blinded veterans. We sponsor and conduct programs designed to maximize the living skills of blinded veterans--especially those rated by the VA as severely disabled by virtue of a service-connected condition.

It is appropriate then for the Blinded Veterans Association to be concerned about issues affecting disability compensation. We have a deep interest in those issues which have such significant impact on our service-connected blinded veterans.

The VA's compensation system is a matter of great importance to the BVA. As many of you know, we have pressed in recent years for specific changes in Title 38, Section 314 which impact on service-connected blinded veterans. These changes have not been costly ones, but they have ensured the equitable treatment of blinded veterans and due recognition of the nature of blindness as a disability. Thanks

to the efforts of this subcommittee and the full House committee, we have been very successful in these efforts. Significant changes have been made in the disability rating schedule in the last two years affecting blinded veterans, and we appreciate these changes.

The BVA is especially interested in legislation which would provide a cost of living increase in compensation for service-connected disabled veterans and in Dependency and Indemnity Compensation (DIC) for surviving widows and children of veterans who died from service-connected causes.

I was very privileged to have had the opportunity to present the BVA's legislative program on March 28 before a joint session of the House and Senate Committees on Veterans Affairs. We testified then in support of legislation which would provide a 4.3 percent increase in compensation and DIC to be effective December 1, 1984. I want to reiterate our support for this legislation in this statement.

First, we believe a 4.3 percent increase is appropriate given current economic conditions. It has long been the policy of the BVA that compensation adjustments should match the increase in the Consumer Price Index. The most recent report from the Department of Labor indicates that the Consumer Price Index is gradually on the rise. The Department of Labor has reported an increase of 0.5 percent in the CPI for urban consumers for an annual CPI increase measurement of 4.6 percent, and the Department of Labor has reported an increase of 0.2 percent in the CPI for urban wage earners and clerical workers for an annual CPI increase measurement of 3.8 percent.

Nobody can predict what the CPI will be at the end of this calendar year. It has been difficult, even for economists, to predict in recent years the future of leading economic indicators. However, even the most optimistic forecasters do not expect an increase in the CPI significantly below the 4.3 percent level.

Furthermore, we believe the 4.3 percent adjustment is appropriate given the delay last year in the compensation adjustment. As you know, veterans were asked last year to accept a six month delay in receiving a compensation increase. Like other major national veterans organizations, the BVA endorsed this delay in an effort to support the President's actions to reduce the federal deficit. For many disabled veterans, this delay was a serious hardship.

This is especially true for blinded veterans because of the increased expenses which blinded veterans must bear to continue to participate in daily living activities. Unlike many other disabled veterans, it is necessary for blinded veterans to hire readers, someone to pay bills, someone to handle minor home maintenance and repair, and even someone to drive them where they need to go.

Therefore, we also support an effective date of December 1 for the compensation increase.

The BVA also supports other legislation under consideration of this subcommittee which would provide vocational training and counseling for newly VA-pensioned veterans under the age of 50. We fully concur with a statement by the Chairman of this subcommittee, Representative Douglas Applegate (D-OH), that this measure would help

younger disabled veterans to receive job training with hope of returning to gainful employment. We believe every effort must be made to encourage and provide the means for disabled veterans to lead a full, active, and productive life. This legislation will make a substantial contribution to that goal.

Any questions concerning this statement should be directed in writing to me at the BVA's National Office.

Again, the BVA appreciates the opportunity to make this statement a part of the official record.

MILITARY ORDER OF THE PURPLE HEART
CHARTERED BY CONGRESS

OFFICE OF Legislative Director

NATIONAL HEADQUARTERS
5413-B BACKLICK RD. SPRINGFIELD, VA. 22151
(703) 642-5360
(FTS) 389-3953

April 19,1984

Hon. Douglas Applegate, Chairman
Subcommittee on Compensation, Pension
and Insurance
Committee on Veterans Affairs
335 Cannon House Office Building
Washington, D.C. 20515

Dear Mr. Applegate,

We appreciate the invitation to offer testimony to the Subcommittee at the hearing scheduled for May 1,1984.

After carefully reviewing the proposals that were enclosed, to provide an increase in compensation and DIC; to increase the automobile allowance grant; to increase the maximum SGLI coverage; to add "lupus erythematosis, systemic" to the list of chronic diseases; to provide DIC to the surviving spouse of a Commandant of the Coast Guard; and to provide vocational training and counseling for new pensioners under age 50, we find them all worthy of our support.

The only statement we could make would be one of general support. We see no need to appear before the subcommittee simply to say that we agree with these proposals. We have no special auguements to offer.

We ask that the Members of the Subcommittee be made aware of our support for these proposals as they are presently written.

Thank You,

Maurice E. Loir
Legislative Director